CONFIRMATION

Executive nomination confirmed by the Senate July 11 (legislative day of July 8), 1957:

DIPLOMATIC AND FOREIGN SERVICE

The nomination of Hervé L'Heureux, of New Hampshire, a Foreign Service officer, for promotion from class 1 to the class of career minister, was confirmed, posthumously, death having occurred after the nomination was reported.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 11, 1957

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou God of infallible wisdom and understanding, inspire us during these strange and strenuous days with a renewed assurance of Thy love and care.

We humbly acknowledge that all our plans and labors for the building of a finer social order will be futile and fruitless unless Thou dost guide us with Thy spirit and gird us with Thy power.

Grant that the Members of the Congress may be blessed with great capacities for leadership and abilities to surmount successfully the many difficulties which are daily confronting them.

May we never be cowardly when we must be courageous, never confused when we should be calm, and never fearful when we ought to be strong in faith.

In Christ's name we offer our prayer. Amen.

The Journal of the proceedings of yesterday was read and approved.

ORDER OF PROCEEDINGS

The SPEAKER. The Chair suggests that the proceedings had up to this time be placed in the RECORD after the reception of the Prime Minister of Pakistan; and, without objection, it is so ordered.

There was no objection.

COMMITTEE OF ESCORT

The SPEAKER. The Chair appoints as members of the committee to escort into the Chamber the Prime Minister of Pakistan the gentleman from Massachusetts [Mr. MCCORMACK], the gentleman from Massachusetts [Mr. MARTIN], the gentleman from Illinois [Mr. GORDON], and the gentleman from Illinois [Mr. CHIPERFIELD].

The Chair declares the House in recess at this time subject to the call of the Chair.

RECESS

Accordingly (at 12 o'clock and 8 minutes p. m.) the House stood in recess, subject to the call of the Chair.

VISIT OF HIS EXCELLENCY HUSSEYN SHAHEED SUHRAWARDY, PRIME MINISTER OF PAKISTAN

During the recess the following occurred:

The Doorkeeper (at 12 o'clock and 30 minutes p. m.) announced His Excellency Husseyn Shaheed Suhrawardy, Prime Minister of Pakistan.

The Prime Minister of Pakistan, escorted by the committee of Representatives, entered the Hall of the House of Representatives and stood at the Clerk's desk. [Applause, the Members rising.]

The SPEAKER. Members of the House of Representatives, I deem it a great pleasure and a real honor to have the privilege of presenting to you the representative of a great and a free people, a people who are friendly to the people of the United States and with whom we are on friendly terms. It is my privilege and pleasure, let me say it again, to present to you the Prime Minister of the Republic of Pakistan. [Applause, the Members rising.]

The PRIME MINISTER. Mr. Speaker and distinguished Members of the House of Representatives, for the second time in 10 years it has been the privilege of a representative from Pakistan in the person of its Prime Minister to stand before you to convey to you the warm greetings and felicitations of the 80 million people of Pakistan. [Applause.]

It is not without emotion, Mr. Speaker, that I address this House in this temple of freedom which is consecrated to the practice of democracy and the promotion of the inalienable rights of men and of nations. When I see those honorable Members around me whose decisions have such a tremendous impact on the fate not only of the nations but also on the fate of the world, I feel that I am presuming to address the House which has such infinite power and potentialities. It is indeed a privilege for my country that we may consider ourselves your allies in the great adventure upon which you have embarked; namely, the adventure of establishing in this world the rights of the individual in opposing all measures that tend to trample that spirit in humanity which seeks constant evolution and expression in this great adventure of maintaining and promoting peace. [Applause.]

Were it not for your endeavors, were it not for the fact that you are the bulwark of democracy and of peace, possibly by this time the world would have been shaken and shattered. I recall the time when you, and you alone, were the possessors of that destructive force; namely, the atomic bomb. I recall the time when, if you had desired to conquer all the nations of the world through the means, the powerful means, in your hands, you could have done so; but it was your moral strength that not only did you restrain yourself, but also you showed to the world that peace was safe in your hands, that you believed in the rights and privileges of the human race. [Applause.]

If today there is danger, if today the nations of the world are fearful of passing events, it is not because you have developed the nuclear weapons, but because other countries also possess the same, other countries which possibly do not feel that sense of responsibility toward humanity that you have shown by your acts.

Therefore Pakistan deems it a privilege to be alined with a country that has shown the way to such high moral principles.

We are, indeed, in the midst of revolutionary changes. What went by the name of European colonialism is fast receding. The countries of Asia have one by one gained their independence. The countries of Africa are following suit; but while this nature of colonialism and imperialism is on the decline, there is another far worse new colonialism and imperialism which is arising, which maintains that it has the power and the privilege by force to keep subservient nations under its control, a theory which spells enslavement of peoples for all time to come. This is the danger that is there before the world; this is the danger which you have recognized; this is the danger into which you have thrown all your weight against the Communist powers. [Applause.] And it is for this reason that you stand today as the champions of the free world. It is for this reason that the nations of the world are looking to you in their attempts to escape thralldom. They are looking to you for support and for guidance, and you, your country, indeed, has risen to the occasion.

Do you realize, Members of the House of Representatives, how many peoples of the world today you are assisting to find their feet? Through your assistance country after country has been reconstructed; and on behalf possibly of those countries to whom you are offering your assistance not only do I render their thanks and their gratitude, but also I would ask you to consider that you are proceeding along the right lines, along moral lines, in raising the standards of those who under modern conditions cannot help themselves. It is a great and a new philosophy that you have embarked upon, the philosophy that all nations of the world must develop, that all nations of the world must be happy, that it should not be the privilege of only the few to be ahead in the race of happiness, but everyone must share in the resources that the world can offer. It is a new philosophy that you have embarked upon, namely that exploitation must cease, that it is not the privilege of some of the fortunate countries to take advantage of those countries less fortunate and less developed. And to you, and to your people and to your country goes this credit that while you are helping so many nations of the world, you have not asked for any returns. It is this which affects us more than anything else. We give you our thanks spontaneously. You have not asked for them. You have adopted the high moral role of assisting without asking for any return and that is certainly pointing a way to the other nations of the world. Fortunately we now see that there are many other nations who have banded together to help the underdeveloped countries.

You have undertaken also certain international obligations and the part of the world from which I come, a corner of the Middle East, is grateful to you and to your great President for the words of hope that he has given that this country will attempt to maintain the territorial integrity and political sovereignty of the

countries of that area and will come to their assistance in the case of aggression from any quarter, and chiefly if that aggression is from the Communist side or is Communist inspired. That has produced stability in that region. It has given hope to the people now to progress. They can now devote their energies to the task of reconstruction and, it is, indeed, a matter of congratulation for my country, which is a member of the Baghdad Pact, that your country is associating itself in many of its important committees, the counter-subversion committee, the economic committee and the military committee.

In Southeast Asia, as we all know, there are possibilities of trouble. There also through the SEATO pact, we are allied in a common cause. Pakistan enjoys a particularly peculiar privilege. On the one side about 1200 to 1500 miles of foreign territory separate our two wings. On the other hand it faces the West. It faces and is allied to those countries and the allied countries. It faces the East and through the SEATO pact it is allied to those countries that think alike with us in their way of life.

It is, therefore, a matter of great happiness to us that we were able to contribute in a small measure in accordance with our ability to the preservation of peace and to the promotion of individual liberty. [Applause.]

Recently we have adopted a new constitution, and I am determined that there will be a general election, and a fair and free election, at the earliest possible opportunity which the mechanics of the election has placed at between March and April 1958.

It is difficult to exaggerate the debt which modern constitutions owe to your pioneer achievements in evolving the Federal system of government to meet the requirements and the necessities of divergent interests and to create, as you have created, a unity in diversity. Your Declaration of Independence, your Bill of Rights, the laws which you have framed, find a place in our Constitution. We have derived inspiration from them. [Applause.]

I was speaking the other day—I hope you will pardon me if I make a personal observation—as to what it is which I, a foreigner, feels most as regards your country. What is it that we know of most? What is it that we consider to be the greatest thing which your country has produced? And that is—and we shall never forget it—the immortal words of Abraham Lincoln, which will go down for all time as words which no one, unless he was inspired by the Almighty, could have produced. It is something of a guide to the world, which ever since he uttered them has been the greatest force for peace, for happiness, for the rights of the individual that have ever been uttered by mortal man. A country that has produced a leader of that type, a country that has produced leaders like George Washington or Jefferson, cannot be a country which can ever betray its past.

May I, before I take my leave, offer my congratulations that your country has produced men of that type, who have given you an ideal which you so faithfully follow.

I wish to thank you, Mr. Speaker, and ladies and gentlemen of the House of Representatives, for giving me this opportunity to speak to you, and once more to convey to you the cordial good wishes of my country. [Applause.]

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 1 o'clock and 25 minutes p. m.

PRINTING OF PROCEEDINGS HAD DURING RECESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess may be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONGRATULATORY MESSAGE OF THE REPUBLIC OF PARAGUAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to include at this point in the RECORD a congratulatory message from the President, House of Representatives of the Republic of Paraguay, to the Congress of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The message referred to follows:

ASUNCIÓN [PARAGUAY], *July 6.*

To the United States Congress, Washington, D. C.:

On the occasion of the celebration by [our] sister republic, the United States of America, of another anniversary of its glorious political emancipation [independence], the House of Representatives shares jubilantly in [celebrating] that important date and formulates its best wishes for the prosperity and greatness of the great country of [George] Washington.

Dr. EVARISTO ZACARIAS ARZA,
President, House of Representatives, Republic of Paraguay.

COMMITTEE ON RULES

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

THE SWISS WATCH INDUSTRY

Mr. MACHROWICZ. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MACHROWICZ. Mr. Speaker, in light of the fact that the Commerce Department has been quoted in the press as stating it is unaware of any employee who visited Switzerland and attempted to pressure the Swiss watch industry into the adoption of voluntary quotas on exports to the United States. I have today written to Mr. Sinclair Weeks, Secretary of Commerce, giving the name and title of the official involved, confirming identical information given by me yesterday by telephone to Assistant Secretary of Commerce, Frederick H. Mueller. Because this official has for many years been closely identified with the Commerce Department's interest in watch matters, I was surprised to learn that the Department stated it had no knowledge of the case. However, I hope that today's letter to the Secretary will clarify any possible misconception.

In my public statements, I have consistently refrained from identifying this Commerce Department official by name because it has not been, and is not now, my purpose to single out any individual for criticism. Rather, what has concerned me is the fact that the Commerce Department appears to have been attempting to exert an undue protectionist influence in the current consideration by the executive branch of the alleged defense essentiality of the domestic watch-manufacturing industry, and has been taking other actions which tend to undermine the stated objectives of our Government to eliminate quotas and lower other barriers to international commerce.

Unfortunately, such activity by the Commerce Department is not new. It is well known, in fact, that in recent years the Commerce Department has spearheaded the efforts of the domestic watch-manufacturing industry to obtain relief from foreign competition as well as other benefits from the administration. It is the hope of those of us who view enlarged international trade as an important ingredient in worldwide economic stability and peace that such undermining influences within the administration will cease immediately.

COMMITTEE ON EDUCATION AND LABOR

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Education and Labor be permitted to sit while the House is in session today.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

AIR CARRIERS OPERATING BETWEEN UNITED STATES AND ALASKA

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 308 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4520) to amend section 401 (e) of the Civil Aeronautics Act of 1938 in order to authorize permanent certification for certain air carriers operating between the United States

and Alaska. After general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. SCOTT] and yield myself such time as I may consume.

Mr. Speaker, House Resolution 308 provides for the consideration of H. R. 4520, reported from the Committee on Interstate and Foreign Commerce with amendments. The resolution provides for an open rule and 2 hours of general debate on the bill.

The bill requires that the Civil Aeronautics Board issue permanent certificates of convenience and necessity to three air carriers—Alaska Airlines, Inc., Pacific Northern Airlines, Inc., and Northwest Airlines, Inc.—who are now engaged in air transportation between the United States and Alaska under temporary certificates.

The bill, as amended, contains language similar to that in Public Law 741 of the 84th Congress which granted permanent certificates to airlines operating within Alaska and Hawaii under temporary certificates.

There is an ever-growing demand for air transportation, both freight and passenger, to Alaska. The Committee on Interstate and Foreign Commerce feel that the public interest will be better served and the Federal Government's costs reduced if the bill is enacted since it will make for more economic operation of the airlines concerned and, it is believed, will reduce substantially the need of the air carriers for Federal subsidy.

The Civil Aeronautics Board, the Department of Commerce, and the Bureau of the Budget oppose H. R. 4520. It is the view of these agencies that it is unwise to grant permanent certificates in a piecemeal manner by special legislative enactment. The CAB further feels that there should be a merger between Alaska Airlines and Pacific Northern. It was pointed out in testimony before the Rules Committee that this was the main reason the CAB was opposed to the granting of permament certificates.

Sufficient time has been provided for a full discussion of this measure by the House. I therefore urge the adoption of House Resolution 308.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I know of no objection to this bill. There may be some, but none has been heard by our committee, as far as I am aware. This seems to be a fair and equitable method of handling the continued operation of these lines.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, on Monday of this week there were certain proceedings concerning the death of a former colleague the Hon. Earl C. Michener, my predecessor from the 2d Congressional District of Michigan.

I was not present in the Chamber at the time, being in Adrian, Mich., to attend the funeral of the Honorable Earl Michener. A good many of my colleagues from Michigan and from other States, I understand, would like to join me in comments upon the service that Earl Michener rendered to this country during his 30 years of service in this body.

For that reason, Mr. Speaker, I ask unanimous consent that at the conclusion of the legislative business today and following any special orders heretofore entered I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

NO LONGER A FREE NATION

Mr. HOFFMAN. Mr. Speaker, today's decision by the Supreme Court which, in effect, authorized the armed services to turn over Soldier Girard to the Japanese Government for trial for the death of a Japanese woman, should neither surprise nor shock those who have been following the political trend for the last few years.

We joined the United Nations—a one-world organization—on October 31, 1945. By that action, we surrendered at least a part of the sovereignty of our Nation—some of the liberty of the citizen. Thereafter we were no longer a free and independent people.

On August 24, 1949, we joined 11 other nations in the formation of NATO. By so doing, we again surrendered a portion of the sovereignty of our Nation, the freedom of the citizen.

At the demand of the State Department, and of the military, we enacted legislation on June 19, 1951, which made subject to the Armed Forces command for a period of 8 years, every young American who was physically fit and mentally competent.

No other nation—unless it be Russia—today takes from its youth their independence, so drastically and completely controls their individual destinies. We rob our young men—for a period of 8 long years, of their right to shape their own future. Neither Stalin, Hitler, nor Mussolini ever exercised a more arbitrary authority.

But the whole story has not been told. Constantly, those in authority mouth the words—"A free people"—A free nation." Neither our Nation nor our people are free. Because of our conscription laws, because we joined the United Nations and NATO, because of the treaties and the executive agreements into which we have entered, we automatically put our young men—and our young women, if they enlist in the Armed Forces—under the nominal control of our armed services but under the actual control of a one-world worldwide organization, U. N.

Under the treaties and executive agreements which we have entered into with other nations we have bound our youth to fight—not only in defense of their country, the United States of America, but in any and every war, and for whatever cause, or even without cause, anywhere, everywhere in the world when members of those organizations become involved.

They are bound to fight, not under the command of officers of the Armed Forces of the United States, but, if those in control of either organization—the U. N. or NATO, and both are under the control of individuals of other nations—so decree, under foreign officers. Yes, under officers of nations which regard not the standards of decency or fair treatment observed by civilized countries, but under officers from non-Christian nations.

By the actions of the Congress, and of the executive departments—ruled in truth and in fact by the State Department with its faith in, and its implementation of one-world rather than national policies—our youth no longer fight under the Stars and Stripes which, in effect, have been hauled down, but under the banner of the U. N. Fight, suffer, and some die, defending not the freedom of their country, their country's interest, but for the purpose—good or bad—of other nations.

We have surrendered the independence for which our forefathers fought and many died.

We have ignored and repudiated the principles laid down in the Constitution.

We have surrendered our independence as a nation, the individual liberty of our citizens.

We have obligated our youth to fight, not as soldiers of a free and independent nation, but as mercenaries of U. N. and NATO.

We have betrayed those who fought and those who died during the 8 long years of the Revolutionary War.

We have betrayed those who fought in the War of 1812, in the Mexican War, the Spanish-American War, the hundreds of thousands who fought and died in the Civil War, to make men free.

We have forgotten those who died on Flander's Field in World War I. Those who sacrificed their all in World War II—in the Korean war.

So it is that today, I say, we should not be surprised that the United States Supreme Court has authorized our Government to turn over to Japan for trial under their system of jurisprudence—and, perhaps, for execution—an American soldier who was engaged in the performance of his duty. We take no effective action to free Americans now prisoners of the Chinese or the Russians.

So far as is known, no other country has been so neglectful of its own interests, of the interests of its own people, so

cowardly in defense of its own independence and the welfare of its citizens, as has the United States of America.

Upon the shoulders of the Congress, subservient to the State Department and, perhaps, the military, rests the responsibility for the present situation.

The Congress surrendered our independence as a nation when it joined the U. N. and NATO.

It disregarded the freedom of our people when it conscripted them to fight in the interests and under the command of other nations, under the flag of the U. N.

Why criticize the Supreme Court for today's situation? The responsibility for it rests squarely upon the shoulders of the Members of the Congress.

Yes, today I am an isolationist, as I always have been. I hope the good Lord lets me die an isolationist—one whose ruling purpose is the independence and security of my country, the welfare of my people.

Mr. TRIMBLE. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I have read with deep regret of the death of Hervé J. L'Heureux, United States consul general at Montreal. He started his career as clerk in 1927 in the Government service. At the time of his death, he had advanced to the high and honorable rank of United States Minister. After serving in the Army in World War I, Mr. L'Heureux came to Washington and studied at George Washington University. While studying there, he was employed at the Capitol. Entering the service of the Department of State as a clerk in 1927, Mr. L'Heureux rapidly advanced.

His years of service were honorable and trustworthy at different consular posts; later Assistant Chief of Visa Division, and thereafter a number of important diplomatic assignments, returning to Washington in 1947 as Chief of the Visa Division of the State Department.

In 1952 Mr. L'Heureux was assigned to Bonn, Germany, as consul general; and in 1955 he was assigned to Montreal with the rank of United States Minister.

Himself a man of deep faith, Mr. L'Heureux came from a deeply religious family. At the time of his death five of his surviving sisters are nuns in the Presentation of Marie Order.

Mr. L'Heureux commanded worldwide attention and respect by inaugurating in 1948 the movement Prayers for Peace, a movement for a daily minute of silent prayer for peace in the world.

Mr. L'Heureux was one of the most respected officials of the State Department. He was widely respected for his deep faith, his strong religious convictions, for his ability, his integrity, and his nobility of mind and character.

It was my pleasure to meet him some years ago and between us developed a strong and lasting friendship. I shall miss him very much.

The tribute paid Mr. L'Heureux by Secretary of State John Foster Dulles is an appropriate one, and expressive of my views.

I extend to Mrs. L'Heureux and her sons and daughter, and to a brother and sisters of Mr. L'Heureux my profound sympathy in their great loss and sorrow.

I ask unanimous consent, Mr. Speaker, to extend my remarks and include the statement by Secretary of State John Foster Dulles, which was a beautiful and appropriate statement in connection with the death of Mr. L'Heureux.

The SPEAKER. Is there objection?

There was no objection.

(The statement follows:)

The United States has lost one of its outstanding Foreign Service officers. His career was a distinguished one throughout. Mr. L'Heureux was the originator of the Prayers for Peace Movement—an action which typified his high sense of moral values and the dedicated approach which guided his entire life.

The Department of State is proud to have counted him among its officers.

Mr. McCORMACK. Mr. Speaker, I also ask unanimous consent that any Members who may desire to do so may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ROONEY. Mr. Speaker, will the distinguished majority leader yield?

Mr. McCORMACK. I yield.

Mr. ROONEY. Mr. Speaker, I should like to join the distinguished majority leader [Mr. McCORMACK] in his remarks upon the passing of the late Hervé J. L'Heureux. I knew Hervé L'Heureux for many years. I considered him one of the most competent and capable and faithful officers of the Foreign Service. I had the opportunity to visit him in his room at Bethesda Naval Hospital a week ago yesterday. It was appalling to find him a victim of the dread disease, cancer. This disease has taken from the Foreign Service of the United States one of its most valuable and faithful servants. Hervé L'Heureux was a man upon whom the committees of the Congress of the United States could always rely as most trustworthy. It was on the day of my visit to his sick room that the President submitted to the Senate his name for approval as career minister in the Foreign Service.

I join with the distinguished majority leader in extending deepest sympathy to his widow, his sons and daughter upon his passing. I know God will be good to him for he was a good man.

Under the permission heretofore granted me by unanimous consent of the House, I include the following article published on the obituary page of yesterday's Washington Evening Star:

HERVÉ L'HEUREUX DIES; FOREIGN SERVICE OFFICER

Hervé J. L'Heureux, Foreign Service career Minister whose appointment was signed by the President July 3, died yesterday in Bethesda Naval Hospital. He was 58. Congressional approval of the appointment was pending.

Mr. L'Heureux served as head of the Visa Division of the Department of State here 5 years and was the originator in 1949 of "Prayers for Peace," a movement for a daily minute of silent prayer for peace in the world.

His term of duty as Visa Division Chief was extended 1 year beyond the technical limit by an act of Congress. His last foreign duty was as consul general at Montreal. He was consul general at Bonn, Germany, from 1952 to 1955, and a member and secretary of the north African economic board and administrative officer to the Civil Affairs Section of the Allied Force Headquarters in 1943 and 1944.

CANCER CAUSED DEATH

His death was from cancer of the liver. He had been ill about a year.

Mr. L'Heureux was born in Manchester, N. H., March 6, 1899, and graduated from George Washington University with a bachelor's degree in 1925, and received a law degree from the University of Detroit in 1935. He served in the United States Army from 1917 to 1919. He married the former Jeannette Blum, of Washington, D. C.

His 30-year Foreign Service career began in 1927 as clerk at Windsor, Ontario, where he became vice consul the same year, and consul in 1935. He then served at Antwerp, Belgium; Stuttgart, Germany; and Lisbon, Portugal, before becoming Assistant Chief of the Visa Division in 1952. He became secretary to the office of the President's special representative at Algiers in 1953 and secretary and consul at Algiers in January 1944.

Mr. L'Heureux was consul general at Marsielles, France, until his appointment as Chief of the Visa Division in 1947.

DULLES CITES LOSS

On learning of Mr. L'Heureux' death, Secretary of State Dulles said "the United States has lost one of its outstanding Foreign Service officers. His career was a distinguished one throughout and was climaxed by the recognition accorded him recently when the President submitted his name to the Senate for approval as a career Minister."

Mr. L'Heureux owned a house at 5201 38th Street NW.

He is survived by his widow; 2 sons, George Hervé L'Heureux, 1607 Bradley Avenue, Rockville, Md., and David Eugene, a Foreign Service officer serving as vice consul in Manila; a daughter, Mrs. John J. Schwab of Chicago; and 8 grandchildren.

Also surviving are 8 sisters, 5 of whom are in the Presentation of Marie Order. They are Sisters Henri Suzo, Berlin, N. H.; Marie des Neiges, Gorham, N. H.; Marie St. Antoin, Burlington, Vt.; St. Clarisse, Biddeford, Maine; and St. Chrétienne, Manchester, N. H. The other sisters are Mrs. Lorette Braehler, 2112 Spencer Road, Silver Spring; Mrs. Anita Kelly, Salem, N. H.; Miss Lena L'Heureux, Manchester, N. H.; and a brother, Robert D. L'Heureux, 1251 South Forest Drive, Arlington, Va.

Requiem Mass will be offered at St. Matthew's Cathedral. Burial will be in Arlington Cemetery. The time of the Mass has not been set.

Under the permission, I also include the following article published in yesterday morning's Washington Post and Times Herald:

H. J. L'HEUREUX DIES HERE AT 58

Hervé J. L'Heureux, American Consul General at Montreal, Canada, and originator of the Prayers for Peace Movement, died at Bethesda Naval Hospital yesterday after a long illness. He was 58.

Mr. L'Heureux joined the foreign service 30 years ago. Last week his name was submitted by the President to the Senate for approval as career minister.

Secretary of State John Foster Dulles, upon hearing of Mr. L'Heureux's death said, "The United States has lost one of its outstanding foreign service officers." Mr. Dulles expressed his profound regret.

Mr. L'Heureux conceived the idea of Prayers for Peace in 1946 while attending a memorial service for war dead in France. He was disturbed by the absence of a prayer for the future.

The movement was organized in 1948 in Manchester, N. H., Mr. L'Heureux's birthplace, when a group of veterans resolved to pause for 1 minute at noon each day to pray silently for peace. Within a year the plan was adopted by hundreds of organizations, including the District Department of the American Legion.

Mr. L'Heureux joined the foreign service in 1927 and was assigned to Windsor, Canada. He later served in Germany, Belgium, Portugal, Algiers, and France. From 1947 to 1952 he was chief of the visa division in the Department of State. He was executive director of the United States High Commission for Germany from 1952 to 1955, when he went to Montreal.

A veteran of World War I, Mr. L'Heureaux was a delegate from New Hampshire to the American Legion's 1919 founding convention in St. Louis. He was active in the American Leigon for many years and was past commander of the Department of State post.

Mr. L'Heureux owned a home at 5201 38th Street NW.

Surviving are his wife, Jeannette; two sons, George, of 1607 Bradley Avenue, Rockville, Md., and David, vice consul at the United States embassy in Manila, Philippine Islands, and a daughter, Jeanne, of Chicago.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. KEATING. The gentleman from New York [Mr. ROONEY] has completely covered the sentiments which I desired to express. I have had personal relationships with Mr. L'Heureux when he was serving as Consul General in Germany. I have watched his work and I share emphatically the views expressed, that our Nation has lost one of our most devoted public servants, and one to whom every citizen of this country owes a lasting debt. Never have I known one more dedicated to his assignment or more faithful in the execution of his trust.

I join in extending to his family, and particularly to his brother, Bob, who served ably so many years with one of the committees of the other body and later with the Federal Communications Commission, my deepest sympathy in their great loss.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MORANO. I wish to associate myself with the remarks previously made by other speakers.

During my service in Congress, and even before that, I had many occasions to communicate personally by phone and to correspond with Mr. L'Heureux while he was a member of the Foreign Service. He was an able, conscientious service officer. The United States Government has lost the services of a really excellent public servant.

I join with the distinguished majority leader and the others who have preceded me in offering my profound sympathy to the family.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. JUDD. Mr. Speaker, Mr. L'Heureux, whose passing we mourn and memorialize today, was one of the highest-type public servants that our Government has had, at least in my time. So often the mistakes or shortcomings of a few in any of the Government services are advertised as if they were the rule and the bad impression created is transferred to practically all other persons in the Government. Fortunately the reverse is also true. The State Department, in which our friend worked long and well and, in fact, the whole Government service have profited and been elevated both by the influence of a man like Mr. L'Heureux on his colleagues in the service and by the universally favorable impression he created on everybody who had opportunity to know him, in and out of the Government. I had many dealings with him when he was head of the Visa Division. He was always most considerate and fair and helpful with us and with our constituents whose problems we brought before him. I also had some association with him on the Prayers for Peace movement which was so near his heart, and I know of his many other activities as an earnest, sincere, warmhearted Christian gentleman. Hervé L'Heureux was one of the finest, noblest men it was ever my privilege to know.

Mr. McCORMACK. Mr. Speaker, in the journey of life one of the most pleasant aspects to me is the nice people I meet everywhere, good people, people with nice minds, people with noble minds, people with decent minds, people who are good. I would rather be good than great, If I could be either great or good I would rather be good, although I would like to be both, but to me goodness is one of the most important attributes a human being can possess, and to me it is a great pleasure that there are so many good people in all parts of the world, people who are just good. One of the best I have ever known is the distinguished gentleman about whom I have made remarks today, Mr. L'Heureux, and in which my colleagues have joined. I appreciate very much their contributions and I know they will bring consolation to his loved ones.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, I take this minute to inform the House that H. R. 72 is coming up immediately after this bill and will be very controversial.

The SPEAKER. It will not come up immediately after this bill; another bill will follow this one.

Mr. H. CARL ANDERSEN. Nevertheless, Mr. Speaker, when it does come up there is a group of us determined to try to kill the rule in the first place, and if that cannot be done we shall use every possible means we can to show the House how iniquitous that bill is, how it will damage 110,000 incompetent veterans of this Nation of ours. I am sure, Mr. Speaker, the House membership does not want intentionally to hurt 110,000 incompetent veterans of the United States of America.

Mr. Speaker, I am simply serving notice that that particular bill will be very controversial when it comes up for discussion this afternoon.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, will the gentleman yield to me?

Mr. GROSS. I have only 2 minutes, but I will yield to the gentleman.

Mr. TEAGUE of Texas. I appreciate the gentleman's yielding. I wish only to say in response to the gentleman from Minnesota that the Committee on Veterans' Affairs has never brought a bill to this floor that does what the gentleman just stated this bill will do.

Mr. GROSS. Mr. Speaker, the Supreme Court decision handed down this noon, just a short time ago, is another assault upon the Constitution of the United States and further destruction of the individual rights of American citizens.

This simply means that the Rules Committee of the House ought to act with the greatest expedition in voting out the Bow resolution which is presently before them, which seeks to rectify this situation of the trial in foreign courts of Americans serving abroad in the United States forces.

Incidentally, it is going to be very interesting now, in view of the testimony given to the House Foreign Affairs Committee last year in which State Department and other administration officials said that an American soldier on duty in a foreign country could not be tried in a foreign court, to see how those officials square their statements with what happened today making it possible to deliver this serviceman, who was on duty, over for trial in a Japanese court.

Mr. Speaker, I yield back the balance of my time.

Mr. TRIMBLE. Mr. Speaker, I yield 10 minutes to the gentleman from Arkansas [Mr. HAYS] and ask unanimous consent that he may speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS of Arkansas. Mr. Speaker, for a number of years prior to his retirement at the end of the 84th Congress, the Honorable George Dondero, a distinguished Member of the House, followed the practice of making a brief presentation early in the first session of each Congress of some of the rules supplementing the instructions that our greatly esteemed Parliamentarian, Mr. Lewis Deschler, and his able assistant, Colonel Roy, always give to new Members. It is a little late in this session to attempt that service and I feel unequal to the task, but I have been requested to present these viewpoints, partly for the benefit of our new Members and partly as a reminder for all of us. If I overlook any of the points that are important, I hope that my colleagues will help me

round out this little discussion for the benefit of the House.

During this year the House will celebrate a full century's use of this historic Chamber with the attractive surroundings which it provides, and cherished traditions are identified with it. It might be said, Mr. Speaker, that the Congress is a little older than the Government, for it first assembled under the new Constitution on March 4, 1779, in New York, and George Washington was not inaugurated until April 30 that year. Some of the Rules of the House are as old as the Congress itself, and while in contrast with some of the other parliaments of the world our procedures are simple, we have our own symbols and respected patterns of conduct.

You have learned, perhaps, of the tremendous symbolism of the Mace. When it was fashioned by one of the world's great artisans over a hundred years ago, it required an outlay of $500, but is valued at many times that figure today. It represents the dignity and the pride of this legislative body and is held in such reverence that it is believed any threatened violence when tempers rise can be immediately allayed if the Mace is visible, and on this theory it is said on one occasion the Sergeant at Arms merely walked with it toward angry Members about to commit an affront to the House by fighting and the desired result was immediately achieved.

An old Arkansas friend of mine, Randall J. Hearn by name, regarded by many as a legendary character, although I assure you he is very much a real person, used to say "a man don't know nothing he did not learn."

I quoted that to a friend of mine recently and he quoted another saying from an Ozarkian, "no man can live long enough to learn all he has to know just to survive. Some things he must inherit from the race."

These are not contradictory statements. I think they can be reconciled. There are some things we learn by our individual experience in this body, but sometimes we have to rely on our predecessors. It is in this realm of faith upon those who preceded us that I point to the value of the traditions and Rules of the House. There is a reason for every rule we have. It is the product of our long experience in parliamentary government.

An error sometimes creeping into our speeches is to begin an address, after obtaining the Speaker's recognition, "Ladies and gentlemen of the House." This is bad practice and actually an affront to the Speaker, for when we address the Speaker we address the House, and we should never add anything to this significant phrase of respect, "Mr. Speaker." The proper beginning, of course, when we are in the Committee of the Whole is "Mr. Chairman." One can quickly ascertain whether it should be "Mr. Speaker" or "Mr. Chairman" by looking to see if the Mace is in its place.

The rules forbid a Member leaving the Chamber when the Speaker is putting a question, or is making any comment to the House. Members are expected to remain in their seats until the Speaker has concluded.

We are admonished when any Member has the floor never to walk between him and the Speaker or in front of the person having the floor. Smoking in every part of the Chamber is prohibited specifically, and I believe it is true that the enforcement of this particular rule is made the specific duty of both the Sergeant at Arms and the Doorkeeper, so I presume no one should be embarrassed if either one of these House officers calls attention to an infraction.

As to dress, apparently the Congress long ago abandoned any thought of special garb. That was wholesome. However, a coat is always required and the wearing of a sport coat or sport shirt is not proper.

Mr. FULTON. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I am interested, as a matter of courtesy, how you address a woman elected to Congress. Is she a gentle lady, a gentlewoman, a Congressman, or a Congresswoman?

Mr. HAYS of Arkansas. The proper way to address a lady Member of the House is "The gentlewoman from Pennsylvania," and not "the lady."

Mr. FULTON. Does the gentleman not think in courtesy we ought to let a lady answer that? I mean, at this point.

Mr. HAYS of Arkansas. I will be glad to yield to any gentlewoman of the House who might care to correct me if I am in error. I assume, in view of the silence, that I am correct in calling her the gentlewoman. I believe I have good authority for this.

Mr. FULTON. It is correct, then, to call them Congresswomen?

Mr. HAYS of Arkansas. The more acceptable practice is to use the same title for both men and women, "Congressman." I am speaking as if I am an authority. I am not. And even experts may disagree. I heard a story the other day about a lady sitting next to a man at dinner who said to her, "Are you Mrs. Post?" She said, "Yes." He said, "Mrs. Emily Post?" She said "Yes." "Well," he said, "Mrs. Post, you are eating my salad."

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Ohio.

Mr. VORYS. Upon this perplexing question as to how to address a female Member of the Congress, could the gentleman give us the views of Randall J. Hearn? A number of us have followed the philosophy of Randall J. Hearn as expounded by the gentleman from Arkansas for a number of years, and if he has any conclusion on this subject, it would certainly be compelling with me.

Mr. HAYS of Arkansas. My friend, Randall Hearn, appreciates being mentioned. The gentleman from Ohio will recall that the census enumerater sought to obtain information from him. He asked him how to spell the name and the old gentleman replied, "Spell it yourself, stranger. I'm a nonscholar."

I am attempting, Mr. Speaker, in this interlude, which was inspired by my friend from Pennsylvania, to be as informal as the rules permit.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from North Carolina.

Mr. JONAS. Whether we can all agree upon the proper way to address them, I believe most of the male Members of the House will agree with the sentiment expressed by the law student when he was asked to respond to the question, How would you define the term "fee"? He was a better poet than lawyer, and responded thus: "There are fees simple, and simple fees, and fees that do entail; but the greatest fee of all the fees is the female."

Mr. HAYS of Arkansas. Mr. Speaker, I think probably the interruption was justified, and it is a very good demonstration of how the House is entitled to cling occasionally to these moments of relaxation in the midst of serious deliberation, and I trust that the laughter that we have enjoyed will not detract from the points I am trying to make for the new Members.

Let me move quickly to one or two other points. It is never proper to say "you" in addressing another Member nor should his first name ever be used. It is always "the gentleman from Wyoming, the gentleman from Alabama."

One must always stand to object to any unanimous consent request and, of course, address the Speaker before voicing the objection. Anyone who wishes to interrupt a Member should always rise and first address the Chair—"Mr. Speaker, will the gentleman yield?"

I point this out because we have lapsed into very bad practice. Sometimes, there is just a quick verbal thrust, in the middle of a sentence, before the one having the floor has come to a period, or even a semicolon, and sometimes we hardly wait for a comma; we just say, "Will the gentleman yield?" On occasions that is omitted. The proper procedure is to rise and say "Mr. Speaker, will the gentleman yield?" I hope Members will forgive this rather didactic approach, but this was my assignment and I am doing the best I can with it.

Reference to a bill should always be by number, preceded by "House bill" or "H. R." A resolution should always be called a resolution. There is no such word as "Res." Committees should be given their official name—the Committee on Rules, not the Rules Committee; the Committee on Appropriations, rather than the Appropriations Committee.

I am indebted to another former Member, the Honorable Charles A. Plumley, of Vermont, for some of the information included in these remarks, and Members who are interested in pursuing some of the fine points of procedure will find his speech on May 5, 1950, a very helpful document. It was published as House Document No. 601, 81st Congress, 2d session.

To our guests in the gallery this may appear to be a little family discussion and that is what it is. It is an intimate

talk that we are having about good manners, and it is inspired by the fact that we want them to think well of us. We want to guard our reputation. We have in the gallery not only constituents and friends, we have visitors from other nations. We therefore occasionally remind ourselves that it is not good manners to put our feet on the back of the chair in front, that it is not good manners to read a newspaper, that we should not engage in prolonged or audible conversation when someone has the floor.

Mr. Speaker, you have been very kind to hear me and I am grateful for this courtesy. I am sure that our new Members have already acquired the spirit of reverence for this Chamber and this institution. The hall of the House of Representatives which we now occupy is 100 years old. This is the centenary of the establishment of this Chamber as our meeting place. Many distinguished predecessors rendering outstanding service as Members of the House, including all three of our martyred Presidents.

In the original House Chamber, a Repsentative from Massachusetts, John Quincy Adams, returned after 4 years as President, to exhibit his interest in the Republic's legislative procedures. It is said that when Robert E. Lee became president of Washington College at Lexington, Va., now Washington and Lee, he caused to be included as a preface to the rules for his student body this simple injunction: "This college expects each of its students to be a gentleman."

I suppose that rules would be of little value if we did not stress this fundamental rule. And in that connection, Mr. Speaker, may I add, in conclusion, this word of appreciation of our fine, new Members. I think they are doing a good job of being gentlemen.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LOANS TO HOMESTEADERS AND DESERT-LAND ENTRYMEN

Mr. TRIMBLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 263 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3753) to enable the Secretary of Agriculture to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. SCOTT], and at this time I yield myself such time as I may consume.

Mr. Speaker, House Resolution 263 makes in order the consideration of H. R. 3753, reported from the Committee on Agriculture with an amendment.

The resolution provides for an open rule and 1 hour of general debate on the bill.

H. R. 3753, as amended, would permit the Farmers' Home Administration to make loans under the Bankhead-Jones Farm Tenant Act and under the Water Facilities Act to desert-land entrymen on the same terms as such loans are now made to homestead entrymen or those who have contracted for the purchase of farmlands in a reclamation project. It would also make rural housing loans under title V of the Housing Act of 1949 available to homestead entrymen, desert-land entrymen and purchasers of lands in reclamation projects.

Certain conditions must be met by a desert-land entryman before a patent to the land is secured. He must spend certain specified sums for land clearing and make water available on the land for irrigation purposes. Until the land is patented to an entryman, a mortgage on such land has practically no value as security for a loan that can be made under existing authorities. The bill, if enacted, will permit the Secretary of Agriculture to obtain a valid mortgage on entered desert land prior to the issuance of a patent, thus permitting the Department of Agriculture to extend financial assistance to more entrymen.

The Department of Agriculture recommends favorable consideration of the bill and the Bureau of the Budget made no objection to the report submitted by the Department.

I urge prompt action on House Resolution 263 so the House may proceed to the consideration of H. R. 3753.

Mr. SCOTT of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. TRIMBLE. I yield.

Mr. SCOTT of Pennsylvania. May I address this inquiry to the gentleman from Arkansas: As I understand, no opposition to this bill was heard before our committee. Is that correct?

Mr. TRIMBLE. There was no opposition before our committee to the rule. As I understand, there is opposition to the bill.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. TRIMBLE. Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Speaker, I think there are some points in this bill that ought to be made very clear to the House. I think it is a good thing that this bill is coming before the House because I believe that there are matters of policy involved in this bill that ought to be considered very carefully by the House. I am glad the Members of the House are going to have the opportunity of considering the policy involved in the bill.

I became interested in this bill as I came out of the committee where we were holding hearings one day and listening to demands being made upon us for appropriations for the Department of Agriculture. I stepped over behind the rail and, as I often do, I picked up the report on the bill. This report particularly intrigued me because in the report appeared these words:

> This bill would not require any additional appropriations at this time. Available direct and insured loan funds would be adequate to permit loans to be made under the amendment and the administrative expense funds would absorb the cost of making, insuring, and servicing such loans.

This was a report that was sent up by the Under Secretary of Agriculture, True D. Morse, on March 4, 1957.

After reading this report I felt that in all good conscience that I should object to the bill being considered on the current calendar, feeling that the House should consider it. We held hearings on an urgent deficiency bill where this same Department of Agriculture came up before our committee and requested $26 million to make these loans. This urgent deficiency bill had not been acted upon.

This is what Mr. Scott, Director of the Agricultural Credit Service, told us on January 28 in the hearings on the urgent deficiency appropriation bill:

> The rate of direct loan fund obligations this fiscal year is considerably in excess of any previous year. On January 4, 1957, about $18,335,000 of the $24 million was obligated, leaving only relatively small balances in many of the States.

This supplemental appropriation passed the House on June 18, so that during the time this request came up to the Committee on Appropriations and during the time the report came up to the Committee on Agriculture the same Department seemed to be going in two different directions.

I wondered about that in connection with this bill and studied the report. Mr. Speaker, there is not one word in that report concerning the cost. In the hearings before the Committee on Agriculture or the Committee on Rules, at no place is it shown how much this particular bill is going to cost. That was rather interesting because I have assumed that when committees held hearings upon bills and made reports on bills of this important nature some of these things would be considered by the legislative committees, rather than putting the burden on us in our little room across the hall in the Committee on Appropriations.

In this particular instance, while a number of Members of the House, and I have no quarrel with those Members of the House because those Members are all able, efficient men and have been here for a great length of time, but occasionally it is entirely possible that some of those same Members have criticized the Committee on Appropriations because the Committee on Appropriations has taken certain action on an appropriation bill. It is customary for some Members of the House to criticize the Committee on Appropriations for writing legislation on an appropriation bill. We like criticism, but in this particular case I would just like to turn the

thing around a little bit by pointing out the fact that here we have the Committee on Agriculture passing on the legislative possibilities of this bill, and there is not a word in the hearing that tells how much it is going to cost or how many loans are involved. Now, that is interesting. I have great admiration for the Committee on Rules. I do not want to add to the burdens of our Committee on Rules. But there have been some criticisms by members of the Committee on Rules about the fact that the Committee on Appropriations has engaged in writing legislation on an appropriation bill. But, here is a bill that will come before us, on which a rule has been granted, and there is not a word said by any Member that I know of in the Committee on Rules as to how much this piece of legislation is going to cost. Now how much is this legislation going to cost? Frankly, gentlemen, I have not been able to find out.

Mr. BUDGE. Mr. Speaker, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. BUDGE. Is it not a fact that the direct farm loan funds are allocated among the several States on a ratio basis so that if a State wanted to use its funds for this purpose, it would not increase the overall appropriation for the direct farm loan funds? Would that not be correct?

Mr. MARSHALL. Of course, the gentleman is correct. These funds that are allocated are allocated to the States on the basis of a formula. However, it is interesting to note in the testimony coming before our Committee on Appropriations, as I understand Mr. SCOTT, practically every State was out of funds and I think it the gentleman's own State which he would be interested in, he would find that the applications far exceeded the amount of loans that can be granted in that particular State.

Now what are these loans going to be made for? That is the important thing. There have been some Members who have said, "Well, you are making this amount of loan under the Homestead Act and you ought to make the same kind of loan on desert entries." I began to wonder about that. So I looked back and found that a bill was passed in the 84th Congress. It was Senate bill 265. I was interested in some of the things that were mentioned in this particular bill in connection with the raising of the limitation of the amount of land that we could accept for desert entry. This paragraph intrigued me:

> While the greatest period of development of desert land entry came between 1877 and the first World War, the past few years have shown a revival of interest in part according to the Bureau of Land Management spokesman by higher farm real estate values and more favorable ratios of farm commodity prices to farm production costs and by the extension of rural electrification and by general improvement in the methods of well drilling, pumping and irrigating.

A recent pamphlet titled "Agricultural Prices" we received from the Department of Agriculture shows that the farm price ratio, parity ratio, is the lowest for the month of June that it has been since 1940. Recently we have had some bills before the House concerned with agricultural surpluses. We have talked about controlling production and talked about the huge surplus here. Yet, here on the other hand we are making loans to open up new land. I would like to see the desert bloom. I think that is a worthwhile objective.

I have always thought it was nice to develop the resources of this country, but is it nice to develop the soil resources of the country right now during this period? Is not some of that land in nature's own soil bank?

That interested me, so I went back and I found the hearings that were held before the Committee on Agriculture, and I found some rather interesting things in those particular hearings. I wish some member of the Committee on Agriculture could explain to me what kind of security the Government has on the kind of loans they are making on these lands. I have studied it, and I read the reports from the Solicitor of the Department of Agriculture, and to me it is rather questionable just how much security the Government has upon this particular type of loan.

The SPEAKER. The time of the gentleman from Minnesota [Mr. MARSHALL] has expired.

Mr. TRIMBLE. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. MARSHALL. I thank the gentleman.

I looked this up in the hearings. They were talking about this particular land upon which loans are to be made. A member of the committee said, "Do the insurance companies loan before the patent is issued?" And the gentleman from Idaho [Mr. BUDGE], said, "I would think either the banks or the insurance companies, if the credit is something other than the land itself, would make the loan. I do not know of anyone who is making the loan looking toward the land—just the land itself, because the land is relatively valueless. It is just so many acres of sagebrush. You cannot borrow anything from anyone just for the sagebrush."

That is the kind of land we are opening up.

Now there has been some question concerning the difference between a homestead loan and a desert-entry loan. Some say there is no difference. Under the original terms of the homestead laws, a homestead loan was set up for the purpose of giving the settler an opportunity to develop the land. But practically all of the land of the United States that is suitable for homestead entry is taken up. There is no disagreement over that. What about desert entry? It is interesting to quote my good friend, the gentleman from Idaho, from the hearing:

> As a matter of fact, the Bureau has been quite, perhaps I should say, dilatory in granting desert-land entries in the last 2 or 3 years because of the present agricultural situation.
>
> But I anticipate that when agriculture is in a little different position that the desert-land entries will go forward quite rapidly in some areas of the country.

Mr. Speaker, these entrymen get a permit from the Bureau of Land Management under the Secretary of Interior. I was surprised that no report was considered from the Secretary of Interior. Should not the Department of Interior, the Department that has charge of all of the vast desert resources, be given an opportunity to testify on the bill?

In spite of the reservations I have about this bill, I would overlook them if the requirements for homestead entry and desert entry were similar. However, for the Government to have title to the land and then make a loan for development purposes seems to me to be going too far. The owner has all of the advantages of development; the Government assumes the risk. All of this at a time when our agricultural production is considered to be in surplus.

Mr. Speaker, many farm families on established farm units are not able to obtain the necessary loans. Members of Congress have complained to me about tight loan requirements adopted by the Farmers' Home Administration. Should we allow the limited funds to be dissipated for development purposes?

We cannot, on the one hand, talk about conserving our resources and controlling our surpluses, and then on the other hand, make it easy for a raid on the Treasury for loans to increase our agricultural supplies. There no doubt will be a time when development of the desert will be an attractive possibility and a necessary undertaking. That time is hardly at this moment. This is the question of policy which Members of Congress need to consider when they vote on this bill.

The SPEAKER. The time of the gentleman has again expired.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

CALL OF THE HOUSE

Mr. SMITH of Wisconsin. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Evidently no quorum is present.

Mr. HARRIS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 139]

Anderson, Mont.	Delay	Moss
Auchincloss	Diggs	Mumma
Bailey	Dooley	O'Konski
Bates	Halleck	Powell
Beamer	Hillings	Robsion, Ky.
Blitch	Holifield	Shelley
Bowler	Holtzman	Spence
Breeding	Hyde	Teller
Celler	Jensen	Thompson, N. J.
Coudert	Kearney	Thornberry
Dawson, Ill.	Kearns	Vinson
	Lesinski	Westland

The SPEAKER. On this rollcall 394 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AIR CARRIERS OPERATING BETWEEN UNITED STATES AND ALASKA

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4520) to amend section 401 (e) of the Civil Aeronautics Act of 1938 in order to authorize permanent certification for certain air carriers operating between the United States and Alaska.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4520, with Mr. DAVIS of Tennessee in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HARRIS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the Committee on Interstate and Foreign Commerce has reported to the House the bill, H. R. 4520, which would provide permanent certification for certain air carriers operating between the United States and Alaska. The purpose of this legislation is to permanently certificate all United States-Alaska air transportation routes, as now authorized by the Civil Aeronautics Board under temporary certificate. There are three United States air carriers affected—Alaska Air Lines, Pacific Northern Air Lines, and Northwest Airlines. The first two have routes along the west coast originating at Portland, Oreg., and Seattle-Tacoma, Wash. Northwest Airlines holds a temporary certificate to serve between the coterminal points of New York and Chicago and the terminal point Anchorage, Alaska, by way of intermediate points at Minneapolis-St. Paul and Edmonston, Canada.

This bill, Mr. Chairman, is similar to the legislation enacted in the 84th Congress to grant permanent certificates to 14 local service airlines and the airlines operating under temporary certificates in Alaska and Hawaii. We enacted that legislation in order to stabilize the operations of these airlines and thereby reduce their operating costs. The pending legislation should be enacted for the same reason. The committe held hearings on this legislation. We obtained reports from the various agencies of the Government involved. We considered the bill and it was reported out by the committee by an overwhelming majority. In fact, as I recall, there were only 2 of our committee of 33 who expressed any opposition.

Subsidy payments by the Federal Government are needed to operate two of the airlines involved, or these routes involved in this legislation. Northwest Airlines does not receive any subsidy.

One of the principal benefits of permanent certificates is that the carriers can make long-term financial arrangements and purchase needed equipment to provide economical and efficient service.

Mr. Chairman, I would like to say that this is a highly important bill not only to our own country but especially to the Territory of Alaska.

One of the principal benefits of permanent certificates, Mr. Chairman, is that the carriers can make long-term financial arrangements and purchase equipment needed to provide economical and efficient service. They can also provide hangars, navigational equipment, and other facilities needed to provide better service to the public. This will result in operating economies with a resulting reduction in subsidy costs to the Federal Government, which is one of the goals which we hope to achieve, the same objective that we sought to achieve when we voted to permanently certificate the 14 local service airline carriers in the United States and those operating in Alaska and Hawaii during the last Congress.

There are other ways in which the public interest will be better served by this legislation, and the cost to the Government reduced, if permanent certificates are granted.

As an example we have:

First. Executive talent now diverted to certificate renewal proceedings will be available for improving airline operations, thus promoting the public interest and enabling the carriers to earn more money.

Second, expenses of recertification proceedings, estimated at $100,000 or more for each renewal, will end, and the money saved can be invested in improvements to provide better service and earn additional revenue.

Third, States, cities, and others which must prepare facts and statistics to support the renewal application to protect their own interests, will be spared that expense and inconvenience.

Fourth, the Federal Government will be spared the substantial expense of conducting the renewal proceedings.

Fifth, the investment by States and municipalities, and to an extent the Federal Government, in aeronautical facilities needed by the air carriers will be placed on a less speculative basis.

Sixth, long-range personnel programs can be developed by the carriers. This will result in considerable savings. At present the carriers generally must make short-range employment contracts, resulting in a personnel turnover rate twice that of the trunk carriers.

Seventh, patrons of the air carriers can plan new business enterprises and expand existing operations with confidence if the air service on which they depend is made permanent. This is of special importance to Alaska.

Eighth, the carriers can work out needed financing programs on a long-term basis, thus reducing or avoiding such disadvantages as premium interest rates on loans, loan periods timed to temporary certificate dates, and the many other penalties resulting from the uncertain nature of the carriers' prospects.

I would call attention to the report which is filed. On page 3, we outline the need for this legislation, and if our colleagues who are interested would obtain a copy of the report and read this one page, you would get a complete picture of the purpose and the need for this legislation.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. KEATING. I am openminded about this legislation, but I am a little concerned by the fact that the Secretary of Commerce and the Secretary of the Air Force and the Bureau of the Budget seem to have filed adverse reports.

Mr. HARRIS. If the gentleman will permit me, I intend to go into that in a moment.

Mr. KEATING. I was going to ask the gentleman to cover the objections which they raise.

Mr. HARRIS. I will be glad to cover that as soon as I complete my statement.

It is not necessary to stress the importance of air transportation to Alaska. The only practical alternative of travel between the United States and Alaska is by auto, over the Alcan Highway. Surface transportation of freight is slow. Consequently, air freight is favored for perishable foods and other cargo having a high value in relation to weight.

As a result, the volume of passenger, cargo, and mail traffic carried by these air carriers has shown a steady growth. The future of both Alaska and the aircarriers connecting it with the United States seems secure, especially, if through permanent certification the carriers are given the security and stability needed to increase income and reduce subsidy requirements.

Not only is air transportation vital to the economic development of Alaska but it is important to national defense. No one here needs to be reminded of the growing importance of Alaska to the national defense. The military effort there must be supported by air transportation. If commercial carriers cannot fill the need the military must supply the transportation they must have.

We believe that it is in the best interest of the country to encourage the development of private enterprise. To do that, these carriers need additional incentives to make long-term plans. They are now living a hand-to-mouth existence which stunts growth. Enactment of the pending bill will in my opinion go a long way to give private enterprise the incentive to develop a sound, long-range transportation program to meet the needs of Alaska.

The gentleman from New York raises the question as to the position of the agencies and the departments involved in the report. We have set out the letters received from the Bureau of the Budget, the Secretary of Commerce, the Department of the Air Force, and the Assistant Secretary of State in the committee report. It is true that the Secretary of Commerce and the Bureau of the Budget made unfavorable reports opposing the legislation but each of them based their opposition on the fact that under present law the Civil Aeronautics Board has the authority to determine whether or not a certificate should be made permanent.

That position of these two agencies is no different from the position they took regarding the other permanent cer-

tification legislation in the last Congress. We permanently certificated 14 local airline carriers within the United States. The Secretary of Commerce opposed that action by Congress for the same reason he opposes this bill. The Bureau of the Budget gave its report for the same reason. But the fact remained then as it is now that the Civil Aeronautics Board has consistently refused to grant permanent certificates to these lines and, therefore, keep them in a stunted position. Because of this they cannot move in and develop the service the Board itself said is needed; and the Board said that in its last action in granting temporary certificates to these airlines.

In the case of the Pacific Northern the Board found that the service between the States and Anchorage in competition with Northwest was necessary. The Board said: "The record fully supports the * * * conclusion that the States-Anchorage market requires and can support direct competition between two carriers. * * * The Board is unanimous in its decision to retain two carriers in this market."

It was the Board's decision that this service is necessary.

The Board rendered a similar decision in the case of the Alaska Airlines when that certification was made, but likewise granted them a temporary certificate.

They cannot make any long-term financing arrangements to purchase the equipment they need and the kind of facilities that they must have if they develop this service.

The Department of the Air Force is not opposed. If you will read the letter or the report on page 8, the Assistant Secretary of the Air Force said:

> The Department of Defense is aware of no adverse effect which its enactment would have upon its operation and, therefore, has no objection to the bill.

The Department of State said:

> Accordingly, the Department expresses no comment on the substance of the bill and has concluded that the bill—

would have no direct bearing upon the United States foreign relations.

Those were the reports received from these agencies of Government.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from New York.

Mr. KEATING. Might there not be a difference between the permanent certification of the 14 local carriers and this bill here before us?

Mr. HARRIS. No.

Mr. KEATING. Am I not correct in saying that these are what are called trunklines?

Mr. HARRIS. I suppose you would call the Northwest Airlines route part of a trunkline operation, but I do not think the other routes would be necessarily classified as what we refer to as trunkline operations. They are, of course, more than local service carriers because they do operate from Portland, Seattle, and Tacoma into Anchorage and Fairbanks, Alaska, but they also serve the local points between those terminal points. To that extent they are local in character.

Mr. KEATING. Have we ever taken action of this kind with reference to what might be termed trunkline carriers before?

Mr. HARRIS. Yes. The grandfather clause that was adopted when the Civil Aeronautics Act was passed granted permanent certificates to all who were operating at that time. So we started out doing the same thing for those that were operating at that time.

Mr. KEATING. I thank the gentleman.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Connecticut.

Mr. MORANO. Will the distinguished chairman of the committee tell me whether there are any other permanent carriers going into Alaska?

Mr. HARRIS. Yes. Northwest Airlines operates between Seattle-Tacoma and Anchorage. The Northwest Airlines is permanently certificated for that operation. Pan American Airlines is permanently certificated to operate between Seattle-Tacoma and Fairbanks, Alaska, via intermediate points. However, Pacific Northern and Alaska Airlines, operate with temporary permits.

Mr. MORANO. The information I am seeking from the gentleman is whether or not these carriers would compete with carriers already holding permanent certificates?

Mr. HARRIS. Yes. The Board said they are necessary to compete with these other two lines that are operating under permanent certificate.

Mr. MORANO. Are the four lines, the permanent and the temporary, subsidized?

Mr. HARRIS. Northwest is not being subsidized. They are out from under subsidy. The Pan American has been under subsidy on this route but we were informed by the Board during the hearings that since October 1, 1956, Pan American has been off subsidy. The Alaska Airlines that would be affected by this bill is being subsidized, and so is the Pacific Northern Airlines.

Mr. MORANO. Will the permanent certification of the airlines contained in this bill result in permanent subsidies?

Mr. HARRIS. We think it will reduce the Federal subsidies, it will give them an opportunity to develop their service and obtain the equipment needed in order to reduce the subsidy requirements.

Mr. MORANO. The gentleman is saying that if we pass this bill there is a chance that we can reduce the subsidies to the carriers in that area?

Mr. HARRIS. That is the objective we seek. It is the same objective we sought with the local airlines, those in Alaska and Hawaii.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that the two Alaska lines dealt with here that have only temporary certificates are already in competition with the two that have permanent certificates?

Mr. HARRIS. Yes.

Mr. JUDD. So what we are trying to do is to remove the unfairness of the competition to which they are subjected through not having permanent certification.

Mr. HARRIS. That is correct.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Alaska.

Mr. BARTLETT. When hearings were held on this bill, did representatives of any other competing airlines appear in opposition?

Mr. HARRIS. No, we had no opposition from any other competing airline or from anyone else, other than the reports that we received from these agencies of the Government referred to.

Mr. MORANO. Then the gentleman is making the categorical statement that the other two carriers at present permanently certificated have not opposed this measure?

Mr. HARRIS. That is true. There is nothing in this record at all or any information we have from any of them opposing this legislation.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Minnesota.

Mr. WIER. Coming from Minneapolis, which is one of the focal points of Northwest Airlines from New York to Japan, I certainly trust that this legislation will receive favorable action here today, because I presume the same applies to other metropolitan cities along the route of the Northwest Airlines. They are living today and have been for years by the grace of the Commission and nothing else, and we learned in Minneapolis that the investments that they would like to make at permanent points will amount to a considerable sum in the future.

Mr. HARRIS. I thank the gentleman for his very timely statement.

Mr. Chairman, this bill is not intended to grant certificate rights in perpetuity to the carriers concerned. Permanent certificates which would be awarded by the legislation would be subject to the Board's powers of revocation and suspension for failure to comply with the provisions of the act or the terms of the certificate as provided by section 401 (h) of the act. This is as follows:

> (h) The Authority, upon petition or complaint or upon its own initiative, after notice and hearing, may alter, amend, modify, or suspend any such certificate, in whole or in part, if the public convenience and necessity so require, or may revoke any such certificate, in whole or in part, for intentional failure to comply with any provision of this title or any order, rule, or regulation issued hereunder or any term, condition, or limitation of such certificate: *Provided*, That no such certificate shall be revoked unless the holder thereof fails to comply, within a reasonable time to be fixed by the Authority, with an order of the Authority commanding obedience to the provision, or to the order (other than an order issued in accordance with this proviso), rule, regulation, term, condition, or limitation found by the Authority to have been violated. Any interested person may file with the Authority

a protest or memorandum in support of or in opposition to the alteration, amendment, modification, suspension, or revocation of a certificate.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the gentleman from Arkansas has quite fully and fairly stated the situation which confronts us concerning this legislation. We are following a precedent of the last session of the 84th Congress wherein we dealt with this problem concerning some of our air carriers, who were suffering under temporary certificates, by passing legislation which authorized a permanent certificate to 14 local carriers in this country, 6 local carriers in Alaska, and 1 carrier in Hawaii. In all our vast air system, the 3 passenger carriers involved in this bill are the only passenger carriers that are not now on permanent certificates. As the gentleman from Arkansas [Mr. HARRIS] has so well stated, they are confronted with coming in every 3 or every 5 years at a cost of about $100,000 to each of them to get an extension of temporary certificates. The money which is spent in that connection, of course, means that they are not going to get off of subsidy if they have to go through that expense every 3 to 5 years.

And we have this situation, too. The Civil Aeronautics Board has never seen fit to grant a permanent certificate to any carrier. I am speaking of a certificate of this nature. Under section 401 of the Civil Aeronautics Act of 1938, they are specifically charged with the responsibility of issuing certificates of public convenience and necessity; and yet, except for a route or service extension, in the 19 years since that act was passed, the Board has never seen fit to grant to any carrier applicant anything more than a temporary certificate. That is why Congress felt dutybound to legislate upon these other routes. This bill should have been passed in the last session of the Congress. It passed the other body but was not taken up in the House.

Mr. BURDICK. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from North Dakota.

Mr. BURDICK. Having heard the gentleman from Minnesota present this matter, I want to associate myself with him in the sentiments he has expressed on this legislation.

Mr. O'HARA of Minnesota. I thank the gentleman.

Mr. NORBLAD. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman.

Mr. NORBLAD. Do I understand that Northwest does or does not have a permanent certificate?

Mr. O'HARA of Minnesota. Northwest has a permanent certificate on the west coast, but on the inside route from Minneapolis to Edmonton to Anchorage, it is only on a temporary certificate which expires the 1st of July next year.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I am happy to yield to the gentleman from New York.

Mr. KEATING. I would appreciate it if the gentleman would address himself to this fundamental proposition. Basically what troubles me about the legislation is that we have set up the CAB to decide the very matters which it would seem to me are being called on to decide here in this body. In other words, why is it that the Congress is in the business of deciding when certificates should be made permanent or what certificates should be granted when we have an established administrative body set up for that purpose?

Mr. O'HARA of Minnesota. The gentleman heard me say that in the 19 years they have never granted a permanent certificate. May I say to the gentleman from New York that the CAB recommended the passage of this legislation last year; recommended the permanent certification of these other 14 local carriers and the 6 in Alaska; but have reversed themselves this year and opposed this legislation.

Mr. KEATING. Do I understand that last year they favored this legislation?

Mr. O'HARA of Minnesota. They favored the passage of this legislation; yes, sir, and so testified.

Mr. MACK of Illinois. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman.

Mr. MACK of Illinois. Perhaps this will clarify some of the points raised. This was in the hearings last year at which time our committee considered the two bills, H. R. 9252 and H. R. 9253. One bill was identical to the bill we are now considering and the other bill was the bill that passed last year to grant permanent certification to the local intra-Alaska carriers. The Chairman of the CAB was testifying and he said:

> Mr. Chairman, in conclusion I would like to summarize the Board's position, that permanent certification as provided for in H. R. 9252 and H. R. 9253 for carriers operating in Hawaii and Alaska, and between the United States and Alaska, would be in the national public interest at this time.
>
> Mr. HARRIS. I suppose then the formal question would be: Why you do not go ahead and issue it to them?
>
> Mr. ADAMS. Well, Mr. Chairman, we would find it appropriate to issue such certificates at the time of a route case that was being sent to the President in each one of these carriers affected. It would not be a normal proceeding for the Board to set such a matter down by its own motion. In the past, the Board in some of the cases, has recommended to the President that a permanent certificate be issued. In some cases it has recommended that a temporary certificate be issued.
>
> However, inasmuch as this legislation is of this date and affords an opportunity to treat the entire subject, the Board concurs in the passage of the legislation and finds it in the public interest.

Mr. O'HARA of Minnesota. I thank the gentleman.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Connecticut.

Mr. MORANO. For how long is a temporary certificate valid?

Mr. O'HARA of Minnesota. This is the strange thing. We have the 3 carriers involved with temporary certificates; Alaska and Pacific Northern are operating under 5-year certificates and Northwest on their so-called inside route or segment 2 route is operating only for 3 years. So they vary. I think at times they have made it for as short as 18 months.

Mr. MORANO. Is the validity of a temporary certificate at the discretion of the CAB?

Mr. O'HARA of Minnesota. I suppose it is a matter that has to be continued. If a temporary certificate is issued by the Board, they would then have to reconsider it sometime before their term ran out on them.

Mr. MORANO. Are they revokable?

Mr. O'HARA of Minnesota. I think they are for a definite length of time. During that time they are not revokable. That is about all you can say. But there is no assurance under them. These airlines who are operating on a temporary certificate never know and cannot make firm commitments. They have not any assurance for the period beyond the expiration date of the temporary certificate.

Mr. MORANO. Is the distinguished gentleman then saying that that might be the valid reason for the enactment of this legislation, to give some assurance of a definite date?

Mr. O'HARA of Minnesota. It is one of the very important things to be considered here.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Is it not true that in planning for aircraft procurement on these routes it is almost impossible for an airline to operate these routes effectively if they cannot plan for more than 3 or 5 years?

Mr. O'HARA of Minnesota. That is right. They have to go in and make their financing and banking arrangements for a longer period of time. Oftentimes they will wait 3 to 5 years before they get the type of plane they want to get.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Alaska.

Mr. BARTLETT. Is it not true that originally, in 1955, when these certificates were being renewed on a temporary basis, the Civil Aeronautics Board suggested a 3-year renewal for Pacific Northern Airlines and 3 years for Northwest, and the Board itself extended the first 2 for 5 years and left Northwest with 3 years? Under the 3-year extension they could not have had any financing at all, and the situation has not been notably improved under the 5-year arrangement.

Mr. O'HARA of Minnesota. That is right.

Mr. NORBLAD. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Oregon.

Mr. NORBLAD. How many years have these lines been operating into Alaska?

Mr. O'HARA of Minnesota. Alaska and Pacific Northern, for over 25 years.

Mr. NORBLAD. Under a temporary certificate?

Mr. O'HARA of Minnesota. They have operated since 1951 in the States-Alaska operation, both of them, on a temporary certificate.

May I call your attention to the action of the Board. The Civil Aeronautics Board when these extensions were granted strongly recommended the continuation of this service. I presume the Delegate from Alaska will go into some of the language used by the Civil Aeronautics Board in that connection. From a national-defense standpoint, we have the testimony of General Twining, who testified in the hearings of the Civil Aeronautics Board, and General Atkinson, as to the very great need in national defense for this Alaskan service.

Mr. TOLLEFSON. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from Washington.

Mr. TOLLEFSON. I desire to commend the committee on the action it has taken in approving this bill and bringing it to the floor of the House for action. It has seemed to me to be wholly unfair and inequitable to expect these companies to operate continuously under temporary certificates.

Mr. O'HARA of Minnesota. And competing against airlines operating under permanent certificates.

Mr. TOLLEFSON. Is it true that if they are granted permanent certificates they can operate much more efficiently and effectively and at less cost?

Mr. O'HARA of Minnesota. And certainly with much more assurance, if they are going to be able to reduce their subsidy payments, those that happen to be on subsidy.

Mr. TOLLEFSON. That is the point I wanted the gentleman to make.

Mr. O'HARA of Minnesota. The gentleman is exactly right.

Mr. O'HARA of Minnesota. Mr. Chairman, I ask unanimous consent that the gentleman from Washington [Mr. WESTLAND] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. WESTLAND. Mr. Chairman, I am pleased to rise in support of H. R. 4520. Passage of this bill, which would grant permanent certification to those airlines operating continuously between the United States and the Territory of Alaska since January 1, 1956, under a temporary certificate, will be of substantial benefit to Northwest Airlines, Alaska Airlines, and Pacific Northern Airlines, all of which are operating under the above conditions.

Since the fall of 1953, air transportation has been the only means of travel for persons wishing to go to Alaska, except for the long trip by automobile over the Alaska Highway. Moreover, the Territory has no rail connection with the United States and the States-Alaska airlines provide the only means for fast transportation of freight. Accordingly, the people of Alaska have come to depend upon air traffic to the States for many essential services.

Two years ago Congress passed an amendment to the Civil Aeronautics Act granting permanent certificates to the local service airlines, and during the last session amended the act further to grant permanent certificates to intra-Alaska and intra-Hawaii airlines. The hearings, in connection with both of these pieces of legislation, developed a great mass of evidence indicating the problems under which those carriers labored in operating under temporary certificates. The temporarily certificated States-Alaska carriers are presently beset with identical problems of unavailability of financing, insecurity of personnel, and waste of time and money in recurrent certificate renewal proceedings, and they deserve to be relieved of these problems to the same extent as the other two classes of carriers have been relieved.

I believe the temporarily certificated States-Alaska carriers would be in a much better position to continue the improvement of their services if their certificates were to be made permanent. The Territory of Alaska will continue to progress industrially and grow in population, which in turn means that its need for air transportation to and from the States will continually increase. Security and stability for the operating rights of carriers performing this essential service would make a substantial contribution to the welfare of the whole Territory of Alaska, and I believe would be in accordance with the best interests of those areas of the United States served by those routes.

It is entirely possible that within the near future Alaska may be granted statehood. If this occurs, the importance of permanent certification will be even greater. In fact, if Alaska had been a State at an earlier date, it is probable Alaska and Pacific Northern Airlines would have been included as feeder airlines and thereby granted permanent certification as local service airlines.

Mr. Chairman, I have a further interest in this legislation. Alaska Airlines has its main stateside terminals at the Snohomish County Airport—Paine Field—located in the Second District of Washington, which I have the honor to represent. In addition, the maintenance and repair shops for the airlines are located at the Snohomish County Airport. This is a large and active enterprise, representing an annual payroll of well over $1 million. Furthermore, Alaska Airlines has recently disclosed that it plans to expand its operations at Paine Field substantially, including broadening of its maintenance and repair activities and establishment of a freight terminal. I bring these facts up, Mr. Chairman, to indicate Alaska Airlines is an important segment of the economy in our area and is an expanding organization, performing a vital service to the Pacific Northwest and the Territory of Alaska and deserving of permanent certification.

There is one additional point which I want to mention at this time, Mr. Chairman. At the present time Pan American Airways enjoys permanent certification on the States-Alaska run. It seems to me only consistent with fair competition and adequate service that the present temporarily certificated carriers, which have proven themselves to be competent and necessary in the handling of States-Alaska air traffic, should be granted permanent certification also.

I believe H. R. 4520 to be necessary and proper legislation and strongly urge its approval.

Mr. HARRIS. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Minnesota [Mrs. KNUTSON].

Mrs. KNUTSON. Mr. Chairman, I favor H. R. 4520 which would grant permanent certification to three States-Alaska carriers—Pacific Northern, Alaska Airlines, and Northwest Airlines. The routes involved are Seattle-Alaska routes for the first two carriers, and the inside Minneapolis-Edmonton-Anchorage route of Northwest.

Permanent certification is essential to these carriers in order that they may develop their routes in an orderly manner and make long-range plans for the purchase of necessary equipment. Permanency for Northwest on the inside route will permit the more rapid development of the Twin Cities as a gateway to Alaska and, ultimately, the Orient. From this standpoint the bill is of great economic importance to the State of Minnesota.

Permanent certification for the States-Alaska carriers is appropriate since this group alone is now required to operate without the security of permanence. The Congress previously has granted permanent certificates to the local service carriers and to the intra-Alaska carriers.

Mr. HARRIS. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. MCCARTHY].

Mr. MCCARTHY. Mr. Chairman, I commend the committee for its favorable and prompt action on this bill. The inside route to Alaska was originally developed as a matter of the essential defense of this Nation and our Territory of Alaska.

During World War II, it was mandatory that the most rapid logistic communications be established and maintained between the United States and Alaska. An inside route by air was considered essential to our national defense. The United States also built the Alcan Highway for the same purpose.

The War Department asked air carriers to consider this route to Alaska, and Northwest Airlines responded and was awarded the duty of flying this inside route for the Government. After the war, Northwest Airlines continued to fly this route under temporary certification by the Civil Aeronautics Board as a commercial enterprise. A 7-year certification was granted to the airline, and this temporary certification was extended for 3 years when it was to expire.

Now it is proper that the Congress grant this certification on a permanent

basis for several reasons. The route was pioneered and developed by Northwest Airlines as a contribution to national defense. The experience of the airline in flying the cold areas of the continent was put to practical use for the country, and the inside route was developed for the military. Northwest thus added to their experience in cold-weather flying, and has continued to gain this experience over the 10 years that they have flown this route commercially since the end of World War II.

Second, every airline wants the shortest transcontinental routes possible, and it is in the national interest that these economical routes be developed. The inside route to Alaska is one of these routes. It is a leg of the shortest route to the Orient, an area that is increasing in importance and influence in the world.

Third, the inside route to Alaska is a logical extension of the routes flown by Northwest Airlines. Traffic has continued to build up on this route, and this buildup will continue. To meet the demands of this traffic, as well as the demands of our national interest, an airline must be able to plan far into the future. It must design and order special equipment to fly the cold northern routes. Without permanent certification, it is impossible for an airline to make the commitments necessary for this equipment. Permanent certification will help develop air service in the national interest and as a commercial enterprise in this area of the world.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I think the bill has been so well covered by the gentleman from Arkansas [Mr. HARRIS] and others that I will not use the full 5 minutes.

The southern terminus of the lines into the Seattle-Tacoma area being in my district, I should like to take a minute or two to emphasize the unique character of the service given by the Alaska Airlines and the Pacific Northern Airlines, which I am sure is the case with the Northwest Airlines in its service to Alaska. First of all, we have to bear in mind that since this original operation was set up passenger service by ships has been discontinued. Therefore, since there is no railroad, and to all intents and purposes there is no highway and no buses, this is the only form of passenger service to our great Territory of Alaska.

I hope you will recall, too, that many of the communities in Alaska are completely isolated. They are not connected with each other by roads and to some extent, of course, the service is seasonal. Therefore, I think in terms of the distance involved, we have to recognize that you are coming into jet transportation. In any event, we are certainly in the era of more expensive airplanes and equipment for the lines and the cost of operation. These particular airlines have done a very excellent job in serving Alaska. The whole record is replete with that. I think they are fully entitled to have now the same privileges which were originally given to some of the older air services. I hope, too, consideration will be given to the fact that historically the CAB has not been willing to give permanent certification. The whole policy of subsidy to airlines, of course, is to create low-cost mass transportation. We think in this case we have it. I think we are in the position that what we need now is to give the companies a chance to give better service. This legislation certainly will stabilize the service to Alaska and will give the public the benefit of that better equipment and that stabilization. So, I urge those Members who might normally be a little reluctant because it has not had the full support of the CAB to recognize that historically no services of this nature have had permament certification given them and it is the prerogative of the Congress of the United States to do that. After all, the CAB is an arm of the Congress. We have been abrogating our responsibility in not seeing that established businesses and lines, such as are involved in this particular legislation, were granted the full privilege of permanent certification.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield.

Mr. HOLMES. I congratulate the gentleman from Washington for the clear and concise way he has outlined the importance of this matter to the Territory of Alaska. I join with him in urging the Members to support this legislation which we, in the Northwest, who have been working with Alaska on this matter, think is extremely important to the Territory of Alaska.

Mr. PELLY. I am always glad to have the support of my colleagues from the State of Washington and particularly those who are in the area in the eastern part of the State.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield.

Mr. HORAN. I would like to join in the compliment which my colleague, the gentleman from Washington [Mr. HOLMES] has paid and to associate myself with his remarks. I, too, urge the Members to support this measure.

Mr. PELLY. I thank the gentleman. My two colleagues from the State of Washington by their remarks indicate their recognition of the fact that as a State and as an area, we are all interdependent on each other and what benefits one benefits the other. I do, indeed, thank you both.

Mr. HARRIS. Mr. Chairman, I yield to the delegate from Alaska [Mr. BARTLETT], a cosponsor of the legislation together with the gentleman from Minnesota, 10 minutes.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I am glad to yield to my friend and colleague, the gentleman from California.

Mr. SISK. Mr. Chairman, I wish to congratulate the committee for the work they have done on this legislation and for bringing it to the floor. Certainly, it is legislation which I hope passes expeditiously. I happen to have had an opportunity to use the service both of the Pacific Northern Airlines as well as the Alaska Airlines. They are doing an outstanding job for that particular area of our country—an area, which I might say, is very much in need of additional transportation services. I think they are entitled to be able to make some long-range plans in order to increase their service which is so badly needed by the Territory of Alaska. I deeply appreciate the action of the committee in bringing this bill to the floor.

Mr. BARTLETT. I thank the gentleman for his contribution.

In the first place, I want to thank sincerely the distinguished chairman of the committee, the gentleman form Arkansas [Mr. HARRIS], for his leadership in bringing this bill to the floor.

Likewise, I want to thank the gentleman from Minnesota [Mr. O'HARA], the author of the bill, for introducing H. R. 4520, which is a companion measure to the one which I introduced.

Every point, in substance, in connection with this bill, has been adequately explained to you. There are a few other matters upon which I should like to dwell.

In my opinion, the enactment into law of this bill will round out what I consider to be a grand plan, no less, for the development of civil aviation in the United States.

First, there was a bill that provided for permanent certification for the local feeder carriers. Then last year there was a bill to provide similar certification for the intra-Alaska and intra-Hawaii carriers, and now we have this measure before us.

Previously the Civil Aeronautics Board, which last year approved this legislation and is now opposing it, reported as follows to the Congress:

> The reasons which led the Board to issue temporary rather than permanent certificates to air carriers operating between the United States and Alaska are in general of the same nature as those which formed the basis of the Board's policy for temporary certification of the local service carriers operating within the United States.

Those reasons no longer obtain by reason of the fact that the bill providing permanent certification is law. But we do have a feeling that if left to the Board this matter may be a long, long time in being settled.

There is as much right in this bill as there was in the two previous bills. In 1955, in passing upon the permanent certification for Northwest Airlines on the route from Seattle to Anchorage, the Board said, in part:

> Air service from the States to Anchorage is a matter of prime importance to the economy of Alaska and the national defense interests of the United States. The granting of a certificate to Northwest on only a temporary basis would of necessity imply that we, the Board, might some day decide not to renew Northwest's authority to serve this route, (a) because the route was not warranted, or (b) the carrier's performance on the route was not satisfactory. Neither of those alternatives appears to be a reasonable eventuality.

And the Board has never contended, to my knowledge, that the service being performed by Pacific Northern Airlines from Portland and Seattle and Tacoma to Anchorage, or Alaska Airlines from Portland and Tacoma and Seattle to

Fairbanks, or by Northwest along the inside route is other than necessary.

I do not believe there is the slightest intention on the part of the Board to revoke any of those services, but so long as they must operate under a temporary certificate, they are at a grave disadvantage. For example, PNA wants to build a substantial hangar at the Tacoma-Seattle Airport. Financing is very difficult when this company has only 2 years of a temporary certificate to run. Alaska Airlines is competing on the route to Fairbanks with DC–4's. True, it has on order two new DC–6's, but they are not in service.

It stands to reason that the company will do better with modern equipment when it competes with the common carrier which has modern equipment.

As to the national defense aspects of this situation, a report made to the committee and printed in the report before you from the Assistant Secretary of the Air Force, said:

> However, the Department of Defense is aware of no adverse effect which its enactment would have upon its operations and, therefore, has no objection to the bill.

Back in 1950, General Twining was Commander in Chief of the Alaskan Air Command in Alaska. They had a CAB hearing up there and General Twining testified. I wish to read a few excerpts from his statement to the Board. General Twining said:

> Air transportation is vital to the development of the territory between Alaska and the United States.

Later he said:

> The development of commercial airlines in peacetime will develop the facilities that will be required in war. We would like to see as many air routes from Alaska back to the United States as you can possibly support in peacetime. Then when the emergency comes they will be available for defense.

I suggest that if for no other reason than to carry out the recommendation of General Twining in behalf of national defense, this bill ought to be passed.

Again, General Twining said:

> It is a genuine interest of the military that they feel in favor of the development of the airlift, the commercial airlift, from the States to the Territory.

General Twining said also:

> I would like to see as many as the traffic can support.
>
> I certainly think it ought to be more than two.

As the gentleman from Washington [Mr. PELLY] said, Alaska is peculiarly dependent upon air transportation. We have no passenger steamship service to western Alaska at all; you go by air, or you go by car over the Alaska Highway, which means that most people going to the Territory or coming from the Territory are required to fly.

It was stated to the committee that if the use of airplanes were as great in the United States as in Alaska, the entire population of the United States would be airlifted once a year. That will give you an example of how the airplane is used there and needed there.

Many sections of the Territory have no roads at all, as you know, and there would be no transportation of consequence or any at all in some cases if the airplane were not available.

I know of nothing that could be done to put these substantial carriers in a better competitive situation for their own good, for the good of their stockholders, for the good of the public in Alaska, and in the interest of the military situation in Alaska than to enact this bill into law.

None of these companies are Johnny-come-lately companies: Northwest is one of the oldest in the United States; Alaska Airlines, and Pacific Northern have been operating within the Territory of Alaska for more than a quarter of a century. They are stable, they are there to stay, but they need the help that this bill and this bill alone can give.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I am glad to yield to the gentleman from Pennsylvania.

Mr. SAYLOR. The airlines which will benefit by this bill are at the present time and have been for a number of years past an integral part of the basic economy of the Territory of Alaska. Is that correct?

Mr. BARTLETT. That is absolutely correct, and well stated.

Mr. SAYLOR. And if this bill is passed it will lend a degree of real stability not just to these airlines but also to the Territory of Alaska and to the people up there.

Mr. BARTLETT. That in my opinion is an absolutely factual statement.

Mr. SAYLOR. I would be delighted to join in support of this bill and urge that it be passed very speedily so that the people of Alaska can get the benefits to which they are entitled.

Mr. BARTLETT. I thank the gentleman.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I rise in support of the pending legislation. There are two vital matters that have not been mentioned in the development of business. Wherever it is in Alaska, due to the necessity of traveling by air, these businesses must be able to plan on permanent bases. The only way in which Alaska can expand and attract business is to have air transportation. The permanent certification of the lines mentioned in this bill is necessary if we are to have a physical development of the Territory of Alaska and particularly if it is to become a State.

In the second place, the municipalities at the present time that do have airports and are considering expansion, and those communities which do not have airports but consider putting airports in, have to know whether or not these airlines are going to be permanent or temporary. That seems to me a second good and valid reason why these airlines should have a permanent certificate.

There seems to be a few on the floor here this afternoon who are somewhat disturbed that we do not allow the CAB to determine all of the factors with respect to permanent certification. It has never been the policy of this committee to overrule any designated agency of the Government which has as a part of its business making any possible route permanent, and that includes the permanent certification of airlines. However, the committee does feel that it and this Congress has the responsibility to review the actions of the CAB periodically, and if we do not feel they are complying with the spirit of the law in granting permanent certifications when they are necessary, we feel it is the duty of the Congress to enter and get legislation through the Congress which will give these airlines permanent certification. We feel that the legislative responsibility is ours. We do in all instances give the CAB years of opportunity in which to determine whether or not they believe in their own estimation these airlines ought to have permanent certification.

I think the historical review of what has been done in the last 19 years indicates that the CAB has never granted permanent certification to any of these lines, they have not granted all of the permanent certificates that perhaps should have been granted thus far and it has been the duty of the Congress where the airlines have gotten a permanent certificate to get it through the Congress.

It is for these reasons and those that have been enumerated here before that it appears to me this legislation is in the best interest of all the country, and especially Alaska.

Mr. HALE. Mr. Chairman will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Maine.

Mr. HALE. I want to commend the gentleman's statement. I am interested in this legislation. I sat through the hearings this year and in the 84th Congress and I think this is a singularly meritorious piece of legislation which should be of great advantage to the Territory of Alaska as well as to the United States. Also I particularly commend the statements made by the Delegate from Alaska [Mr. BARTLETT], who has been most helpful to our committee in its consideration of this legislation, as well as of the legislation which was passed last year for the permanent certification of various intra-Alaska airlines.

Mr. HARRIS. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Oregon [Mrs. GREEN].

Mrs. GREEN of Oregon. Mr. Speaker, H. R. 4520 is legislation in which the city of Portland, Oreg., has been interested for some time. It is legislation, indeed, which is not only important to Portland and other sections of my State of Oregon but to the entire Pacific Northwest as well as to Alaska.

Since the fall of 1951 Portland has had direct air service to Alaska on the Alaska Airlines and Pacific Northern Airlines. They have become vital links in the chain of commerce between Portland and Alaska. The growth of trade on this route, particularly in perishables, has been a development of great economic value and importance to our area. Only air service is adequate to serve these markets and maintain this trade.

Mr. Speaker, the people of Portland regard this service as vital to their interests and well being. Unfortunately, temporary certification has been a major handicap to the development of these two airlines. With permanent certification the lines could plan and finance on a long-range basis for better, faster, and more dependable service. By the same token, businessmen could lay their plans on a long-range basis.

The port of Portland International Airport has an investment past and planned of over $18 million, which is directly dependent in part on the future of these airlines.

It is my firm conviction that if the carriers operating between the States and Alaska are to render the service necessary to trade, commerce, and the national defense, they must be relieved of the uncertainties implicit in short-term certificates. The instability inherent in their present temporary status not only handicaps the carriers in obtaining resources to expand and develop their services but also inhibits the public in placing reliance upon these services.

The need, I am convinced, is great and this legislation should have been passed in the last Congress. I, therefore, urge passage of H. R. 4520.

Mr. HARRIS. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ULLMAN].

Mr. ULLMAN. Mr. Chairman, this is very desirable legislation, and I commend the committee for the very fine work it has done on it.

The States-Alaska air carriers stand today as the only long-established carriers still operating without permanent certificates. Passage of H. R. 4520 will remedy this existing inequity.

Mr. Chairman, the future development of the Territory of Alaska requires the continued operation of Alaska Airlines and Pacific Northern. The findings of the Civil Aeronautics Board provide adequate testimony to this thesis.

Nor can we overlook the importance of the continued operation of the States-Alaska air carriers under permanent certificates to the State of Oregon and the Pacific Northwest in general. The constant increase of air traffic between Oregon and Alaska and the growing economy of both areas require the continuation of these airlines. Added to these important considerations, we have the requirements of national defense—requirements which would clearly be served by the granting of permanent certificates.

Consequently, I feel that H. R. 4520 is sound legislation and urge its passage.

Mr. HARRIS. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. Mr. Chairman, I think that by this time the Members of the Committee recognize the wisdom and the logic and the justice of this proposed legislation, and I am not going to labor further any of the very effective arguments which have been made in its behalf. I strongly urge the enactment of this proposed legislation. So far as I know, there is no excuse for requiring these airlines to operate under the uncertainties and the handicaps of temporary certificates. Whether the Civil Aeronautics Board recognizes the fact or not, Alaska is here to stay, Alaska aviation is here to stay, and I urge that we do what we can to put Alaska aviation on a stable basis.

Mr. Chairman, a principal need for permanent certification of these carriers serving Alaska is to provide a stable operation which will enable these airlines to make long-range plans for the purchase of new equipment, the construction of hangars and other operational facilities which will have a direct beneficial effect on the economy of the Territory of Alaska and the Nation.

Such long-range financing has been extremely difficult for these carriers to obtain due to the uncertainty of their operation under the present temporary certification. It is well established that their management is capable and that cargo and passenger service have met the demands of the air traffic to and from Alaska, which has increased tremendously in recent years.

I strongly urge the enactment of this legislation.

Mr. O'HARA of Minnesota. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. O'BRIEN].

Mr. O'BRIEN of New York. Mr. Chairman, I just want to associate myself with those who have urged approval of this legislation. As a member of the Committee on Interstate and Foreign Commerce, I am convinced that anything we do to help the economy of Alaska will help the economy of the entire Nation. I would also like to point out that the people of Alaska probably are the most air-minded people anywhere in the world. The women in Alaska very frequently fly into town to do their week's shopping. I think this is excellent legislation not only for Alaska and the Northwest but the entire Nation.

Mr. HARRIS. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 401 (e) of the Civil Aeronautics Act of 1938, as amended (49 U. S. C. 481 (e)), is amended by adding at the end thereof the following:

"(5) If any applicant who makes application for a certificate with 120 days after the date of enactment of this paragraph shall show that, from January 1, 1957, until the effective date of this paragraph, it, or its predecessor in interest, was an air carrier continuously operating as such (except as to interruptions of service over which the applicant or its predecessor in interest had no control) under a temporary certificate of public convenience and necessity authorizing it to engage in air transportation with respect to persons, property, and mail between points in the continental United States and points in the Territory of Alaska, the Board, upon proof of such fact only, shall, unless the service rendered by such applicant during such period was inadequate and inefficient, issue a certificate or certificates of unlimited duration, authorizing such applicant to engage in air transportation with respect to persons, property, and mail between the terminal and intermediate points between which it or its predecessor so continuously operated between January 1, 1957, and the date of enactment of this paragraph."

With the following committee amendments:

First page, line 10, strike out beginning with "continuously" all that follows down through and including "Alaska," on page 2, line 7, and insert in lieu thereof the following: "furnishing service between points in the United States and points in the Territory of Alaska (including service to intermediate points in Canadian territory) authorized by certificate or certificates of public convenience and necessity issued by the Civil Aeronautics Board to render such service between such points, and that any portion of such service between any points or for any class of traffic was performed pursuant to a temporary certificate or certificates of public convenience and necessity issued by the Civil Aeronautics Board."

The committee amendment was agreed to.

The Clerk read as follows:

Page 2, line 13, strike out beginning with "so continuously" all that follows down through and including "paragraph" on line 15 and insert in lieu thereof the following: "was temporarily authorized by such certificate or certificates as of the date of enactment of this paragraph."

Mr. HARRIS. Mr. Chairman, I offer a substitute to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRIS as a substitute for the committee amendment: On page 2, line 22, strike out beginning with "so continuously" and all that follows down through and including the word "paragraph" on line 24, and insert "was temporarily authorized to operate by such certificate or certificates as of the date of enactment of this paragraph."

The amendment was agreed to.

The committee amendment as amended by the substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. DAVIS of Tennessee, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4520) to amend section 401 (e) of the Civil Aeronautics Act of 1938 in order to authorize permanent certification for certain air carriers operating between the United States and Alaska, pursuant to House Resolution 308, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

LIMITING PAYMENTS TO CERTAIN BENEFICIARIES OF CERTAIN VETERANS

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 245 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 72) to amend section 21 of the World War Veterans' Act, 1924, to provide for the disposition of certain benefits which are unpaid at the death of the intended beneficiary. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 140]

Anderson, Mont.	Dooley	Moss
Barden	Eberharter	Mumma
Bates	Farbstein	O'Konski
Beamer	Fino	Pillion
Blitch	Flood	Powell
Boland	Gray	Prouty
Bowler	Halleck	Shelley
Celler	Healey	Smith, Miss.
Cole	Holtzman	Steed
Coudert	James	Teller
Dawson, Ill.	Kearney	Thompson, N. J.
Diggs	Kearns	Thornberry
Dingell	Kluczynski	Vinson
Dollinger	Machrowicz	Westland
	Mailliard	

The SPEAKER. Three hundred and seventy-nine Members are present, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

LIMITING PAYMENTS TO CERTAIN BENEFICIARIES OF CERTAIN VETERANS

The SPEAKER. The gentleman from Missouri [Mr. BOLLING] is recognized.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. SCOTT] and at this time yield myself such time as I may consume.

The SPEAKER. The gentleman from Missouri is recognized.

Mr. BOLLING. Mr. Speaker, House Resolution 245 provides for the consideration of H. R. 72, reported with an amendment from the Veterans' Affairs Committee with one vote against the measure.

House Resolution 245 provides for an open rule and 2 hours of general debate on the bill.

The purpose of H. R. 72 is to prevent payments of gratuities which are held for the credit of a beneficiary of the Veterans' Administration who is under legal disability, from being paid upon the death of the beneficiary to any person other than the spouse, child, or children—adult or minor—or dependent parents of the beneficiary. I understand that an amendment will be offered to eliminate the word "dependent" before "parents." Where there is no spouse, child or parents, such funds, less debts and expenses of administration of the estate, will revert to the United States. The gratuities affected are compensation for service-connected disability or death, pension for non-service-connected disability or death, emergency officers' retirement pay, servicemen's indemnity, and retirement pay. The amendment to the bill clarifies the intent of the bill to specifically exclude United States Government life insurance or national service life insurance.

A study was made by the Veterans' Affairs Committee which indicates there are hundreds of cases involving sizable estates derived from compensation and pension which are held for incompetent veterans who have no close relatives. Cases are cited in the report of large estates going to distant relatives, many in foreign countries, who have had little, or nothing to do with the beneficiary during his lifetime. The committee report states that it has never been the intent of Congress that veterans' benefits should be accumulated for distant relatives.

I believe it should be pointed out that the bill will, in no way, affect any veteran adversely. He will, upon recovery from his legal disability, receive the full benefits of the money paid to his account.

It is impossible to estimate the savings which will accrue to the United States, but it appears that millions of dollars over the next few years will revert to the Treasury.

The committee report complies with the Ramseyer rule and I urge the adoption of House Resolution 245 so the House may proceed with the consideration of this bill.

Mr. TEAGUE of Texas. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. Mr. Speaker, I would like to point out to the House something to remember as the horrible or the so-called horrible parts of this bill are pointed out. This bill passed the House last year under suspension of rules and without a rollcall vote. Five of the finest members of the Veterans' Affairs Committee worked on this bill for months. It is the result of analyzing thoroughly our veteran laws and trying to find some way to save money in our veterans' program. The gentleman from North Carolina [Mr. SHUFORD], the gentleman from North Carolina [Mr. WHITENER], the gentleman from California [Mr. SISK], the gentleman from Indiana [Mr. ADAIR], and the gentleman from Nebraska [Mr. WEAVER] were the gentlemen who worked on this bill. If any Member of this House believes that these fine gentlemen would come here with anything but a bill favorable to the veterans, I think he would be greatly mistaken. This is a good bill. There are many Members trying to get away. If Members would get our report and take a look at it, there would not be any opposition to the bill.

Mr. BOLLING. Mr. Speaker, I reserve the balance of my time.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I yield myself 1 minute for the purpose of saying that I am in accord with the statement made by the gentleman from Missouri and the gentleman from Texas [Mr. TEAGUE]. The bill seems to be worthwhile and could affect a total sum in the hands of veterans of about $59 million, the latest available figure as of June 30, 1956.

Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, Government economy is and should be one of our first and foremost objectives. There is no one in this body more interested in true economy than I am, but I cannot accept the arguments we hear so often lately that the place to economize is at the expense of farmers and veterans. So many say we should start our economy with farmers and veterans, but I say that is the last place we should swing the economy ax. If there are any groups in this Nation who need help and understanding the most, these are the ones who need it. I have no sympathy for the so-called economy advocates who would destroy either our farm or our veteran programs.

Now look at the bill before us. It purports to recapture for the Treasury a vast sum of money now in the hands of guardians for minors and incompetent veterans. The committee report on page 3 cites a total figure of $543,599,044.38 but it does not break this down to show how much of that belongs to minors and how much to incompetents. The report does show that 237,751 minors and 110,287 incompetents are involved. Now, it seems reasonable to assume that these minors will shortly reach their majority and about two-thirds of these veterans will take title to their own property. Therefore, this high-sounding figure of over half a billion dollars is largely a fictional figure insofar as recapture by the Treasury is concerned. When you boil it all down, the $59 million held in special Treasury accounts for these veterans is about all that could be recaptured with any degree of certainty.

That being the case, let us set aside this fabulous figure of half a billion dollars and take a look at the real objectives of this bill. Look at the hearings on page 1361 and see what the Disabled American Veterans has to say about the proposal. That great organization of

service-disabled veterans had this to say, and I quote:

As to the propriety of H. R. 72, the DAV is firmly convinced that the provisions of the bill should be liberalized to eliminate the necessity of the parents showing dependency, and to include brothers and sisters among those who can inherit the accumulated estates of the deceased veterans under the circumstances contemplated by H. R. 72. There are numerous instances in the files of the Veterans' Administration where siblings have made many and long-continued sacrifices in behalf of their veteran relatives suffering from mental disease and to exclude them as proposed in the bill under consideration would unquestionably result in many cases of inequity and cause much merited criticism among veterans and their families. And it would seem to be even more indefensible to require parents to prove dependency upon the deceased incompetent veteran before sharing in the estate. We all know numerous instances wherein parents have suffered greatly financially and in other distressing ways due to the actions and medical demands of mentally incapitated children and for the Government to insist upon them establishing that dependency exists within the purview of H. R. 72 is going entirely too far, in our opinion. Accordingly, the DAV recommends against the approval of this proposed legislation in the terms presented to your commitee.

Think of that, ladies and gentlemen, this bill before us says that the mother, or father, of a veteran broken in mind and body by the horrors of war may not even inherit his estate unless they can prove their dependency upon him. Moreover, it says that a brother or sister could not inherit the estate under any circumstances. What kind of new law are we asked to write here today? Think of it. Even a veteran who had while in sound mind made his will would have that will nullified by this proposal. Why, this goes even beyond the recent decisions of the Supreme Court when it tied the hands of Congressional committees and of the Justice Department in the exposure and prosecution of Communists who seek to destroy our Nation.

This bill is not only against good conscience, but it is contrary to all the laws on inheritance we have so carefully developed through the years. Look at what the report has to say on page 4; and I quote:

The bill, will, however, effectively bar the building up of large estates to go to distant relatives having, in most instances, no real interest in the welfare of the veteran.

Note, ladies and gentlemen, that this bill would deny inheritance to any mother or father who could not show dependency upon the veteran son. How cruel to say that we are doing so to prevent these funds going, and again I quote, "to persons having no real interest in the welfare of the veteran." What mother in this land can stand before that charge of "no real interest" in her disabled son. Every Member of this body should be ashamed to have his or her name recorded as having voted for such a proposition, and I for one intend that a record vote be had on this proposal to show how few there are among us who would thus disparage the love of a mother for her hero son.

I intend also to offer amendments at the appropriate time to meet these objections as voiced by the Disabled American Veterans and by the conscience of so many of us here today. This bill should never have come out of committee, but now that it has we owe it to ourselves and our veterans and their families to see to it that its insulting provisions are cleaned up. Personally, I hope the whole proposition will be rejected as it should be.

This proposal to write new laws of inheritance applicable only to disabled veterans will not, in my judgment, benefit anyone other than the lawyers, the accountants, and the courts required to settle these estates. I am told that the subcommittee handling this bill was composed entirely of lawyers, and from my study of its provisions it will be nothing more than a bonanza for the other lawyers who will be required to carry out its provisions.

The report, on page 2, cites as a horrible example the case of a veteran with an estate amounting to over $250,000. Now, turn to page 19 of the report and see just who that veteran is. He is a poor, illiterate Negro veteran whose former guardian, and I am quoting from the report, "acquired about 150 acres of land for a nominal price with funds paid by the VA and the land proved to be in the east Texas oilfield." Note that only a "nominal price" was paid by a diligent guardian, so there is not much in the way of compensation payments involved in this estate. However, some 17 gushers were developed on this land and the estate is now worth at least a quarter of a million dollars and it is this estate that the proponents of this bill seek to take away from the otherwise lawful heirs of this veteran. They cite the case of this poor Negro veteran, whose guardian took a few dollars and built them up to a quarter of a million, as their prime example of the type of estates they propose to sieze. They know, and I know, that the Federal Government has no moral or legal right to confiscate that property and yet they use this as their example of what they seek to accomplish.

Stop and think for a moment what you would do if you were the guardian of this veteran. I am not myself a lawyer, but all of us know how very complicated these estate matters can become. All of us have read or heard of multimillion-dollar estates which have been completely destroyed by litigation and the fees of attorneys, accountants, experts, and court costs. We know that no guardian can voluntarily release an estate without running the risk of personal liability, so he must hire legal help to protect not only the rights of the heirs but also to protect himself. When these legal battles begin, they seldom end until the entire assets of the estate are exhausted and the result will be that not only will the Treasury get nothing but neither will the lawful heirs. What a field day for the lawyers—they will be the only ones to benefit.

Now, Mr. Speaker, the proponents of this legislation give the impression that this bill will reach out and recapture only the moneys paid out by the Federal Government. They make it sound quite simple as though all that would be necessary would be for the guardian or personal representative to simply write out a check and send it in for deposit in the Treasury. Nothing could be further from the truth, and I will show you why.

It is not reasonable to assume that all these incompetent veterans were paupers and owned no property of value other than their little pension check from the Veterans' Administration. Most of them will have owned businesses, homes, bank accounts, and other property. When declared incompetent, their guardian will have taken responsibility for all their property—not just the VA checks. Under the jurisdiction of the proper court, he will have taken care of that property and will have made investments and otherwise cared for the incompetent veteran's assets. The bill, on page 3, line 23, says that "such funds, and the proceeds of such property, shall revert and be returned by the personal representative to the Administrator of Veterans' Affairs, except that before making such return the personal representative shall satisfy the claims of creditors and the expenses incident to the administration of the estate of the deceased beneficiary from such funds and such proceeds if the other assets of the estate of the deceased beneficiary are insufficient for that purpose." Now that is high-sounding language but as I understand it the meaning is that the personal representative must go back into his records, if he has them, and determine which of the dollars or property involved came from the Veterans' Administration, which of the dollars or property earned grew out of those particular VA dollars, and then if he is able to do that to the satisfaction of the State court he must dip into the other assets of that veteran and pay all the costs of settling the estate. In other words, Mr. Chairman, this bill clearly says that it is placing this very costly proceeding upon the personal representative and that he must take the other assets of the deceased veteran and use them to pay the costs. Then, after the other property has been dissipated, he may use up the remaining assets to pay the costs.

By the time the lawyers, and the accountants, and the courts get through, Mr. Speaker, in 99 cases out of 100 there will be very little left for anybody. The only ones to benefit will be the experts handling the litigation involved—and no personal representative can avoid that litigation if he wants to protect his own rights in the matter.

What will the personal representative do when the VA dollars have been so completely merged and commingled with the other property that there is no reasonable way of separating them? What will he do when the State court finds it impossible to settle the estate and litigation goes on and on through the courts? These are some of the things we have to think about before we approve such far-reaching legislation as is here proposed. These are some of the things to think about before we create this nightmare of legal complications for these poor veterans, their families, and their guardians.

Think, also, ladies and gentlemen, of those unfortunate veterans who have been declared legally incompetent but

who have sufficient reason to know what is going on. What are you doing to them when you suddenly tell them that it will no longer be possible for them to leave their estates to their loved ones who have been so faithful in caring for them through the years?

Think of those veterans who made legal wills while still legally competent, and then to be told that those wills were nullified by an act of Congress.

Think of the mothers and fathers and brothers and sisters who would be told that they could not inherit from this unfortunate veteran because the Congress had confiscated his estate.

Think of the guardian who has so faithfully protected the interests of the veteran only to be told that the Congress has created a monstrous situation for him which will undoubtedly keep him in the courts for months and even years after the death of the veteran he seeks to protect. If we should pass this bill, Mr. Speaker, I doubt that any man in his right mind himself would ever agree to become the guardian of an incompetent veteran in the future. If he did, I think he would be well advised to either get the court's approval for spending the money as fast as it came in or he would lock it up in a vault and not go near it until time to take it out and hand it over to the Treasury.

Finally, Mr. Speaker, let us look at the constitutionality of this proposal to confiscate funds paid out in good faith in previous years. The report itself, beginning on page 4, recognizes the seriousness of this question. The Comptroller General, in his report found on page 36, suggests that the bill apply only to future payments because of this question. The Administrator of Veterans Affairs, in his report beginning on page 37, repeats that agency's objections to the retroactive feature—and if you study the hearings you will find the legal experts of the Veterans' Administration firmly opposed to that feature. The Bureau of the Budget, on page 41, repeats the objections of the Veterans' Administration and the Department of Justice to the retroactive action. The Attorney General, in his report beginning on page 42, joined in recommending that the bill apply only to future payments. That specific recommendation can be found in the first paragraph on page 45.

In spite of this unanimous opinion from the executive department of our Government, the committee brings before us a bill proposing to confiscate all the money paid out to guardians through the years since World War I. A shocking disregard for competent legal authority is manifest in this proposal.

To sum up, Mr. Speaker, I repeat my charge that this bill will be nothing more than a bonanza for lawyers and accountants. The costs of administration, both to the Federal Government and to the estates of the veterans involved, may well exceed the total amounts involved. We must, therefore, come to the inescapable conclusion that this proposal is nothing more than an undisguised attempt to dissipate the estates of unfortunate veterans whose only offense has been the loss of their mind or reason. That being the case, I see no justification for any man or woman in this body to vote for passage. I see every reason why they should not do so, and I urge that the proposal be rejected on its own lack of merit.

Mr. REECE of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Tennessee.

Mr. REECE of Tennessee. A competent veteran who accumulates benefits as the result of awards from the Veterans' Administration is able to will that to any relative that he might wish to.

Mr. H. CARL ANDERSEN. The gentleman is speaking of a competent veteran?

Mr. REECE of Tennessee. I am speaking of a competent veteran.

Mr. H. CARL ANDERSEN. That is correct.

Mr. REECE of Tennessee. Then, if that is the case, why should not the parents or relatives of an incompetent veteran be permitted to inherit funds which have accumulated in the estate during the veteran's incompetency when, in most cases, the parents and relatives have given the incompetent veteran great care and have assumed great responsibility for him?

Mr. H. CARL ANDERSEN. The gentleman indicates my attitude on this question exactly. Furthermore, that veteran, while competent years ago could have made a will leaving his property to his father or to his mother or perhaps to a sister who might be dependent, but under this bill that will becomes invalid. This is one of the things that I want the lawyers of this House, if they will, to go into very thoroughly to see the numerous inequities which are in the bill. I do not for one minute cast any reflection on the great Committee on Veterans' Affairs. I simply say that they have not studied these issues carefully enough. I claim that they have not had sufficient hearings on the matter. The bulk of the hearings, if anyone will turn to them, does not have to do with the bill itself. It simply calls attention to various communications, largely from chief attorneys of various regional establishments. Let us turn to some of them. First, let us turn to page 1356, where the Comptroller General of the United States is quoted. What does he say about practically an identical bill which passed the House previously and which the other body refused to consider? The Comptroller General says this:

> The practical difficulties which would be encountered in attempting to comply with this provision are almost limitless.

Yes, Mr. Speaker, this bill will make a lawyer's paradise. This bill will make a luscious garden for accountants and other high-priced experts. By the time you force all of these 110,000 incompetents' estates through the various courts, the only ones who will really benefit from them are those engaged in the litigation. In most cases, there won't be a dime left for either the Government or the heirs.

Mr. CUNNINGHAM of Iowa. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM of Iowa. Mr. Speaker, I would like to ask the gentleman to define the definition at the top of page 2 of the report. It says:

> The principal purpose of the bill is to provide that payments of gratuities to guardians or other fiduciaries of veterans or their dependents because the intended recipient is under a legal disability shall, if the intended beneficiary dies leaving no wife, husband, child, or dependent parent, revert to the United States after payment of the just debts of the deceased beneficiary, and of the expenses incident to the administration of his estate.

What is meant by "gratuities?" If a man dies and leaves a will leaving to his brother who is a dependent veteran in a hospital, $10,000 or $50,000, that would be a gratuity, would it not, and the collateral heirs could never get it under this bill?

Mr. H. CARL ANDERSEN. If I understand the gentleman—and if I am wrong I hope I will be corrected—practically everything received except insurance from the Federal Treasury comes under the heading of that which would escheat to the Treasury. Is that correct, may I ask the chairman of the Veterans Committee?

Mr. TEAGUE of Texas. The term "gratuity" as used in the bill has a legal definition. The only moneys that are touched are moneys that come to the veteran as a gratuity. In other words, the insurance is paid for. The bill does not touch the insurance.

Mr. CUNNINGHAM of Iowa. If the gentleman will yield to me so that I may ask the chairman a question, suppose someone makes a gift; would not that be a gratuity?

Mr. TEAGUE of Texas. That has nothing to do with this bill.

Mr. CUNNINGHAM of Iowa. I do not believe the bill is clear on that.

Mr. TEAGUE of Texas. This bill has to do only with moneys coming from the Federal Government as gratuities.

Mr. CUNNINGHAM of Iowa. Where does the bill say that?

Mr. TEAGUE of Texas. If the gentleman will refer to the report at page 3, second from the last paragraph, the benefits affected by the bill are listed in order 1, 2, 3, 4, and 5.

Mr. H. CARL ANDERSEN. I sincerely hope that in general debate and then in the final consideration of the bill we can bring up these questions such as the commingling of estates which, by the way, the Veterans' Administration itself says is practically impossible to get straightened out as to whether this is money that should go back to the Treasury or should go to the Administrator for distribution to the heirs. I want to go into that.

I ask you to consider whether you want the parents of any incompetent veterans to have to declare themselves paupers before they can inherit from their own son. Is it not enough that that family gave that boy to his country? Should we take away from his father and mother any rights to inherit, perhaps, because they have a little bit more than $175 a month to live on? Is that right? Is it right to take away

from brothers and sisters the right to inherit entirely from their brother? Is is right to tie up the entire estate of a deceased incompetent veteran just so that portion which represents Federal moneys can possibly be returned to the Treasury? Is it right to threaten the already precarious mental balance of these poor mentally sick veterans by telling them that their wills have been set aside and their estates threatened by involved and endless litigation? Is it right to so legislate upon mentally incompetent veterans who cannot speak for themselves and thus discriminate against them in contrast with the situation of their physically disabled fellow veterans? Is it right to pass a bill which every responsible legal authority in the executive departments says contains serious questions of constitutionality?

These are some of the questions which we must resolve in good conscience before any man or woman in this Chamber can vote for this bill. It is not so much a question of the intent of the bill as it is a question of the collateral damage it will do which I know is not the intent of the authors.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, if carried to the final analysis and this bill goes through it might be possible that the Congress of the United States in the case of incompetent Congressmen might decide not to pay their widows any amount of money. That could do down through all of the departments in the Government.

Yes, I voted against this bill last year. I voted against the bill this year. I know that lawyers disagree often. I think the lawyers of our committee had in mind saving money, to give the money to other veterans. But the paradox in the whole thing is that a veteran who is hospitalized, perhaps a double amputee or someone else, has his compensation held back while he is hospitalized, and then when he dies his family, his estate, is entitled to that money. You take the case of an amputee. If he is incompetent and has a guardian, his estate cannot inherit that money. His father and mother, who have brought him up and adored him and are terribly unhappy because he was hurt and mentally sick, when that man dies, unless they are dependent, cannot inherit any of his money. And think how he would feel that money due him and paid for his service to his country was not considered money that he had earned and could be stolen from his estate by the Federal Government. I have felt that the most honorable way a man earned money was by serving his country.

Mr. H. CARL ANDERSEN. Will the gentlewoman yield.

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. I call the attention of the House to the hearings on page 1313, where there appears a letter from Mr. Edward T. Fennell, chief attorney, Veterans' Administration, Syracuse, N. Y. There Mr. Fennell, as do 1 or 2 other of the chief attorneys, brings up this very important question.

He states this:

> Also the proposed bill makes no allowance for a decent burial for the benficiary.

Remember, we are talking about 110,000 incompetent veterans here. He states further:

> It is true that if the beneficiary were an eligible veteran, a burial allowance of $150 is paid by the Veterans' Administration. However, it is common knowledge that in New York a decent funeral costs between $700 and $1,000. Since the Guardian Committee might have many thousands of dollars in its possession, it is believed they should be authorized to pay for a decent burial before turning over the balance of the estate to the administrator.

Might I ask, if the gentlewoman from Massachusetts will permit, might I ask the chairman of the committee: Is there any provision in this bill to require or that states that the administrator can first pay for a decent funeral for the ward before being forced, as seems to be evidently the case under the bill, to turn over the money to the Veterans' Administration?

Mr. TEAGUE of Texas. I am surprised that the gentleman from Minnesota should take a letter printed somewhere in the hearings rather than reading the bill itself. Why does not the gentleman turn to the bill at page 4 and see what the bill says.

Mr. H. CARL ANDERSEN. I have searched the bill and there is nothing there that touches upon this. It does have relation, I might say, to the gentleman to the administration expenses.

Mr. TEAGUE of Texas. The bill says before making such return to the admiinstrator of veterans' affairs, the personal representative shall satisfy the claims of creditors and the expenses incident to the administration of the estate of the deceased.

Mr. H. CARL ANDERSEN. Yes; but it says nothing about the last sentence about the burial expenses, and that is what the chief attorney mentions, as some others have mentioned. There is nothing specific here to give an administrator or a guardian the right to spend, perhaps, $700 as he should to give his ward a decent funeral. That is one of the reasons I have made the statement that I do not think this bill has been too well thought out.

Mrs. ROGERS of Massachusetts. May I say that we can pursue that subject which is so important when we go into committee. But, I would just like to put it up to the Members of Congress who are themselves veterans. We have had Congressional veterans who have left Congress and died in hospitals. They were mentally incompetent. How would any one of you feel if you knew that if you had to go to a veterans' hospital as a mental incompetent that when you died money that had accumulated for you could not go to your grandchild or to your brother or sister or to your grandparents, or to your father and mother unless they were dependent upon you? I do not believe there is a man or woman in this Chamber today who would not look with horror at such a thing happening. A man has a great pride in leaving an estate to his loved ones and being able to leave a little something to the people they have loved and who have loved him. It seems to me a matter of clear legal thinking that the Veterans' Administration and the Comptroller General's office should say that the bill is clearly unconstitutional.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, may I have the attention of the ranking Republican member of the Committee on Veterans' Affairs. Does this bill affect any money that has not been paid to the veteran or his representative by the United States Government?

Mrs. ROGERS of Massachusetts. I am under the impression it does not take away the money that the veteran accumulated in some other way.

Mr. HOFFMAN. This bill does not affect a dollar; does it—unless that dollar originally came from the United States Government?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. HOFFMAN. I will ask the chairman of the committee.

Mr. TEAGUE of Texas. The gentleman is exactly right.

Mr. HOFFMAN. It does not have a thing to do with any money unless that money was paid for the benefit of the veteran by the Federal Government?

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield for a correction at that point?

Mr. HOFFMAN. Yes; if there is any correction to be made.

Mr. H. CARL ANDERSEN. On page 2 of the report the committee holds out as a horrible example that of a Negro veteran in Texas.

Mr. HOFFMAN. Oh, I read that——

Mr. H. CARL ANDERSEN. Will you let me answer the question?

Mr. HOFFMAN. I have read the report. I do not yield further.

Mr. H. CARL ANDERSEN. He used his compensation money to buy these oil royalties. It will take that away.

Mr. HOFFMAN. It does not affect a dollar except those dollars that come from the United States Government.

Mr. H. CARL ANDERSEN. The committee report states that it applies.

Mr. TEAGUE of Texas. The gentleman from Michigan is exactly right.

Mr. HOFFMAN. The only personal experience I have had was with a brother who made his first visit when his brother, who was a veteran, died in the hospital. Any of the people who can qualify under this provision on page 2 can get it; can they not?

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I yield back the remainder of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. TEAGUE of Texas. Mr. Speaker, I move that the House resolve itself into

the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 72) to amend section 21 of the World War Veterans' Act, 1924, to provide for the disposition of certain benefits which are unpaid at the death of the intended beneficiary.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 72, with Mr. HARRIS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. TEAGUE] will be recognized for 1 hour, and the gentlewoman from Massachusetts [Mrs. ROGERS] will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE of Texas. Mr. Chairman, for the information of the House, there will be no requests for a rollcall on this side by the chairman of the committee. Also there will be very little time taken by members of the committee.

The bill, H. R. 72, limits the payment of guardianship estates of incompetent veterans, upon their deaths, to their spouses, adult or minor children, or dependent parents, in lieu of the present practice of permitting these estates, which are sizable in many instances, to be received by remote heirs. Insurance is not affected by this bill; all other VA payments are.

This bill is identical to H. R. 10478, which passed the House in the 2d session of the 84th Congress, but failed of enactment in the other body.

In the present Congress, hearings were held before a subcommittee composed of the gentleman from North Carolina [Mr. SHUFORD], as chairman; the gentleman from California [Mr. SISK]; the gentleman from North Carolina [Mr. WHITENER]; the gentleman from Indiana [Mr. ADAIR]; and the gentleman from Nebraska [Mr. WEAVER].

During the recess following the 1st session of the 84th Congress, I had called to my attention the fact that sizable estates were building in this area—estates of which the Congress had little previous knowledge. Immediately an inquiry was started which showed that there were widespread abuses under the present law in each regional office of the Veterans' Administration. The investigation of the committee showed conclusively that in many instances veterans were leaving estates running into the thousands of dollars which were being received by cousins, uncles, aunts, sisters, and brothers who, in some instances, had not seen the veteran for as long as 30 years. Needless to say, this was not the intent of the Congress in enacting the basic legislation.

Enactment of this legislation would undoubtedly save the taxpayers a considerable sum of money and would be consistent with the purpose of the original act. I believe that the enactment of this legislation is the only method by which this situation can be controlled. Another account in the Veterans' Administration called personal funds of patients, which could be controlled by administrative action, is still paying funds to remote beneficiaries. It is very much regretted by the committee that action has not been taken by the Veterans' Administration.

As an indication of the magnitude of the problem, there is over $600 million in accounts of individuals of this type at the present time—$543,599,000 in guardianship accounts and approximately $60 million in the account of personal funds of patients.

Prior to the enactment of Public Law 662, 79th Congress, on August 8, 1946, the World War Veterans' Act of 1924 endeavored to control estates of this type. I cite this to bring to the attention of the House that this is not a new problem and that what we are proposing to do here today is not a radical departure. Rather, the present law has bene found, as I shall show later, to have many loopholes and we are proposing today to plug those loopholes to provide a fairer approach to this problem and to bring more equity into the entire program.

Public Law 662, 79th Congress, provides, among other things, that where an incompetent veteran is receiving care in a VA institution and has no wife, child, or dependent parent, the payment of pension or compensation shall be stopped after the veteran's estate has reached $1,500 and shall not thereafter be resumed until the estate equals $500 or less. If the veteran recovers and is discharged from the hospital, the money withheld in the form of compensation or pension is paid to him at the expiration of 6 months. If he dies, then the $1,500, or whatever lesser amount is involved, will be paid to his estate.

If an incompetent veteran, in a VA institution, is receiving service-connected compesation—for example, total compensation of $181 per month—and it is found that he has a dependent parent, Public Law 662 provides authority for the Administrator of Veterans' Affairs to apportion a part of that compensation to meet the needs of the dependent parent. The amount apportioned is determined on an individual basis by the Administrator.

If an incompetent veteran is in a State or private institution and is receiving compensation or pension, his guardian or other duly qualified person may pay from his estate and from funds received from the Veterans' Administration, in the form of pension or compensation, whatever charges may be necessary to maintain him in the State or private institution.

I think the statements I have just made indicate rather conclusively the inequities which exist in this program. Dependent parents may today be cared for out of compensation or pension contributed to the service of their sons, and then, after the parents have passed on, this difference may be transferred to remote heirs, such as cousins, nieces, uncles, and aunts. At the same time, other veterans' families—nieces, uncles, and aunts—are not receiving anything from the veteran simply by reason of the fact that the present $1,500 limitation is working to prevent an accumulation of funds. In other words, the $1,500 limitation is working in some cases but it is not working in all. We are trying to make sure that this general limitation will be applied in a fair and equitable manner to all veterans and to those who logically should be entitled to the residue of any estate which he might leave.

In that connection I want to call to the Committee's attention a number of cases which the Committee on Veterans' Affairs developed after a study of this program:

BENEFITS TO STEPFATHER

———. This veteran drew service-connected benefits from the date of his commitment to a State hospital in the year 1922 until his death in 1954, at which time his estate was valued at more than $30,000. After payment of administration costs a balance in excess of $30,000 was paid to the estate of his mother, who had survived him but whose death occurred before actual distribution of the veteran's estate. There is information of record to the effect that the mother remarried less than 30 days prior to her death and that this individual has received, or will receive, the surviving husband's share of her estate.

Records show that this veteran was raised by foster parents, who predeceased him, and that he never left the confines of the State hospital from the date of commitment in 1922 to the date of death in 1954. No next of kin were ever located until about July 18, 1942, when notice was received of an application by one claiming assistance from the estate as the veteran's dependent natural mother. As the result of this application to the county court and hearing thereon, the court decreed her to be the natural mother and ordered certain allowances paid from the estate. Support allowance payments to her were thereafter continued until the veteran's death.

NEPHEW OR HIS HEIRS BENEFITS

Our chief attorney reports that we have experienced no cases of the distribution of a veteran's estate to distant relatives as contemplated in your inquiry since the activation of this regional office. The situation could occur in the near future in one instance. One elderly female veteran of World War I was hospitalized soon after service because of dementia praecox. Years later, senile and completely disoriented, she was placed in a convalescent home where she now resides. She receives $181 monthly compensation and $57.50 monthly war-risk insurance from the Veterans' Administration. Her estate, representing only Veterans' Administration payments and earnings thereon now totals $49,676.84. Her next-of-kin and heir-at-law is a sister in much the same condition as the veteran, except financially. Neither has very long to live and upon the death of the survivor, the estate will be distributed to a nephew, or his heirs.

RELATIVES IN EUROPE AND SOUTH AMERICA

———. This veteran served from May 23, 1918, to August 27, 1918. He has a service-connected mental disability. He is not hospitalized. A committee has handled his estate since August 4, 1922. The committee receives disability compensation of $181 per month and insurance of $57.50. His estate is valued at $54,813.39. The committee expends $100 per month for room, board, and maintenance; $35 per month for spending money and such amounts as are needed for medical and dental care.

The veteran has 1 brother in this country, 2 brothers and a sister residing in Poland and a sister residing in East Prussia. There is another sister, who was last heard from 10 years ago when she was living in Buenos Aires, Argentina.

———. This veteran served between July 26, 1918, and March 18, 1919. He has a

service-connected mental disability. He has been continuously hospitalized at Veterans' Administration expense since his discharge. A committee had handled his estate since November 10, 1919. Payments of disability compensation were stopped July 7, 1933, but insurance payments have continued at the rate of $56.80 per month. At that time his estate was valued at $22,641.91 but now is $52,269.72.

Reports in 1934–35 show the veteran had a brother and 4 sisters in Warsaw, Poland. There was also a brother, now deceased, who left surviving him 6 children in Warsaw, Poland. Another sister resides in Israel. An additional sister immigrated to the United States about 1915 but was reported deceased.

———. This veteran served between December 11, 1917 and February 9, 1919. He has a service-connected mental disability. He has not been hospitalized for this condition. A committee has handled his estate since June 9, 1921. Payments of disability compensation are made at the rate of $91 per month and insurance of $57.50 per month. His estate is valued at $54,991.65. The committee expends $150 per month for the maintenance of the veteran.

The veteran has 3 brothers and 2 sisters, none of whom have seen him in years.

———. This veteran served from May 10, 1918 to April 15, 1919 and from May 10, 1919 to June 1, 1921. He has a service-connected mental disability. He has been continuously hospitalized at Veterans' Administration expense since his discharge. A committee has handled his estate since April 11, 1922. Payments of disability compensation stopped July 17, 1933 but insurance payments continue at the rate of $28.75 per month. At that time his estate was $7,595.32 but now is $20,692.43.

A report from the Polish Embassy dated September 29, 1930, contains a statement from the veteran's alleged sister that the veteran is her brother and that the parents and all other brothers and sisters are dead. She was living in the village of Barbrairninkai, Aukstadvaris Community, Lithuania. The committee offered to pay her way for a visit to the United States but the hospital reported that the veteran did not want to see his sister.

Fifty-two-thousand dollars estate. ———. This veteran, who is still alive, has been under guardianship since 1921. At all times, since that date, he has been a patient in the VA hospital at American Lake, Wash. Until the death of his dependent mother in 1942, he received 100 percent service-connected compensation payments, in addition to $56.76 per month from war-risk insurance. The compensation was discontinued in 1942 because of the size of his estate, as he was without dependents, but the insurance payments have continued. At the present time, his estate totals approximately $52,000. He has no wife, child, or parent, and upon his death his estate will go to collateral heirs.

———. This veteran, who is still alive, has been under guardianship since 1921. At all times since that date he has been a patient in the VA hospital at American Lake, Wash. Compensation payments were discontinued in 1930 because of the size of the estate (under the provisions of the amendatory law of July 3, 1930). Payments of $57.30 per month war-risk insurance have continued to the present time. At the present time, his estate totals approximately $56,000. He has no wife, child, or parent, and upon his death his estate will go to collateral heirs.

———. This veteran, who is still alive, has been under guardianship since 1926. He was a patient in the VA hospital at American Lake, Wash., until his discharge in 1952, when he returned to his native Italy. His dependent father died in 1945, at which time his compensation was stopped because of the size of his estate and remained in suspense until his discharge from the hospital. He presently receives $181 per month compensation and $51.75 per month war-risk insurance. At this time, his estate totals approximately $52,000. He has no wife, child, or parent, and upon his death his estate will go to collateral heirs.

———. This veteran, who is still alive, has been under guardianship since 1930. He was hospitalized intermittently until 1945, and has been out of the hospital since that date. He presently receives $181 per month compensation and $57.50 per month war-risk insurance. At this time, his estate totals approximately $29,000. He has no wife, child, or parent, and upon his death his estate will go to collateral heirs.

———. This veteran, who is still alive, has been under guardianship since 1929. He has not been in a hospital for any substantial portion of this time. He receives service-connected compensation of $181 per month, and war-risk insurance of $51.75 per month. He has always lived in a miserly fashion and has resisted all attempts by this office and his relatives to improve his standard of living. At this time, his estate totals approximately $48,000. He has no wife, child, or parent, and upon his death his estate will go to collateral heirs.

Niece and nephew in Switzerland. ———. World War I veteran under guardianship from November 1926 to August 30, 1955, date of his death. At the time of his death he was drawing 100-percent service-connected compensation. He was hospitalized in Veterans' Administration hospital, ——— from 1925 to 1931. In 1931, at his wish, he was delivered to the care of a brother in Zurich, Switzerland. He died in Zurich leaving an estate of $36,000, all derived from Veterans' Administration benefits. Apparently, 1 niece and 2 nephews living in Switzerland will inherit, as no closer next of kin are known to exist.

———. This World War I veteran, under guardianship since March 1920 has been in and out of Veterans' Administration hospitals since that time. Now he is hospitalized in Veterans' Administration hospital, ———. Payment of compensation for 100-percent service-connected disability is in suspense because estate is over $1,500, veteran is hospitalized in Veterans' Administration hospital and he has no dependents. Present value of estate is $36,150, all traceable to benefits paid by the Veterans' Administration. Nearest next of kin are brothers and sisters.

———. World War I veteran has been under guardianship since May 1928. He has no dependents. Received compensation for 100-percent service-connected disability until April 1951 when payments were suspended because he was hospitalized in a Veterans' Administration facility, his estate was over $1,500, and he had no dependents. Monthly payments of war-risk insurance benefits in the amount of $42.44 continue to the present time. The estate now totals $29,486, all of which is traceable to funds paid by the Veterans' Administration. Nearest known next of kin is a sister.

RELATIVES UNINTERESTED

Case No. 2: This veteran served in World War I from April 6, 1917, to January 13, 1920. He was admitted to the Veterans' Administration hospital at ———, on March 7, 1921, where he has been continuously hospitalized since that time. A guardian qualified for the veteran's estate on February 13, 1922. Since the appointment of said guardian, there has been expended directly for the benefit of the veteran only about $2,000. The veteran's mother and father are both deceased and our records disclose that he had 4 brothers and 2 sisters, although there is an indication that these brothers and sisters are deceased. He is, however, survived by nieces and nephews who are eligible to take under the laws of descent and distribution of this State, which now amounts to $42,186.59, all of which came from the Veterans' Administration or interest on investments from VA funds. The veteran's estate has been paid disability insurance of $57.50 monthly since January 14, 1920, or a total payment of disability insurance of $24,150 as of January 14, 1956. In addition to the aforesaid disability insurance, the veteran received disability compensation at varying rates ranging from $20 monthly to $100 monthly from January 14, 1920, until September 30, 1930, at which time the disability compensation was suspended under the provisions of Public Law No. 2, 73d Congress, his dependent father having died. One of the attorneys of this center recalls a conversation with the guardian in this case wherein it was disclosed that the veteran has only nieces and nephews eligible to eventually inherit the estate and none of the relatives personally contacted by the guardian exhibited any interest in the veteran or any desire to personally visit him at the hospital in ———, even at the expense of the estate.

Brother receives $41,000. ———. The veteran has been continuously hospitalized in a State hospital with brief sojourns in sanitariums since 1925. He was awarded 100 percent service-connected disability. Upon his death in July 1954 his estate of $41,033.33 comprised wholly of Veterans' Administration benefits, passed to his brother.

———. The veteran was continuously hospitalized at Veterans' hospital, ———, from October 1949 to his death, January 13, 1956. Due to the dependency of his mother being established in 1949, his estate consisting entirely of Veterans' Administration compensation was $7,286.98 at the time of death. There are relatives living.

———. The veteran shot and killed his wife and shot himself in the head in 1923. He was committed to ——— State Hospital for the Criminally Insane. As a result of shooting himself he became totally blind. Under the law he was awarded service-connected disability compensation. Additionally his mother was adjudged a dependent which further increased the award, until her death, April 18, 1948. Payments by the guardian to the State ——— stopped in 1946, when an ——— law was amended prohibiting collecting support money for an insane patient still under indictment. At the present time the Veterans' Administration is paying $3,615 a year compensation on behalf of the veteran. Of this amount $150 per year is required for his incidental needs and desires. His estate, composed entirely of Veterans' Administration compensation payments, was $32,515.79 as of January 17, 1956. There is at least one relative, a brother, living.

SEVENTY-THOUSAND-DOLLAR ESTATE TO BROTHERS AND SISTERS IN POLAND

During recent years there have been distributed in this area a number of estates of incompetent World War I veterans who, either immediately upon separation from service or shortly thereafter and until death, were continuously hospitalized in Government institutions and who were entitled to compensation for total disability. Due to the dependency of parents, these veterans continued to receive compensation notwithstanding assets in excess of the statutory limit, and from this compensation alone or combined Veterans' Administration compensation and disability-insurance payments accumulated sizable estates until compensation terminated upon death of the parent. In two instances the veterans' compensation was temporarily interrupted during World War II, in view of the statutory limit and because the parents resided in hostile or enemy-occupied territory and their existence and/or continued dependency could not be verified. However, subsequently, upon proof of existence and continued dependency of the parents, compensation benefits were resumed until the parent in each case died. One of these veterans was survived by an

estate valued at $59,000, which was distributed equally to 1 sister in this country and 4 brothers and 4 sisters in Italy. The other left assets of $70,500 and reportedly is survived by a brother and sister in Poland. This latter estate is deposited, pursuant to order of court, with a register of wills in this State, being held in a special account until in due course claimed by person or persons legally entitled thereto. If the purported brother and sister are unable to satisfactorily establish relationship, there are aunts, uncles, and other more distant relatives in this country who are probably entitled to the inheritance under the intestacy laws of Maryland.

Mr. Chairman, the veterans' organizations have not objected to the enactment of H. R. 72; in fact, they favor it. I invite the attention of the Committee to an article which appeared in the April 1957 issue of the American Legion magazine which states that the American Legion Rehabilitation Commission has approved H. R. 72. I will offer this for inclusion in the RECORD at a later point. Also, in testifying before our Committee on H. R. 72, Mr. John Holden, the representative of AMVETS, stated, "AMVETS endorse the intent of this bill and urge the favorable consideration by your Committee." Also, the representative of the Veterans of Foreign Wars, Mr. Francis W. Stover, made this statement:

The long experience of the Veterans of Foreign Wars has been that most benefits should be paid directly to the veteran himself or his immediate dependents. It is noted that this bill here takes care of those who are within the immediate dependency of the veteran. And certainly we would not endorse the paying of benefits intended for a veteran to be paid to some collateral relative who had no interest in the veteran during his lifetime.

I include at this point excerpts from the replies received from chief attorneys which give examples of the sort of conditions this legislation will correct, and also a table showing the amounts of these estates, by States:

NARRATIVE ACCOUNT OF GUARDIANSHIP CASES

1. The incompetent veteran, ———, has been hospitalized continuously in the VA hospital at Gulfport, Miss., since World War I, and the evidence now of record indicates that he may be expected to remain hospitalized for the rest of his natural life. Tnis veteran's dependent mother and only heir-at-law has just passed away and his estate is presently valued at $65,536.22.

2. The incompetent veteran, ———, passed away at the VA hospital in Augusta, Ga., on February 21, 1954; he left no will, and to date no heirs-at-law have been found. This veteran, who has been continuously hospitalized at Government expense since World War I, died leaving an estate of over $51,000.

3. The incompetent veteran, ———, has been hospitalized in the VA hospital at Tuskegee, Ala., at Government expense since shortly after World War I; he has no dependents, and the latest accounting of the legal guardian reveals an accumulated estate of $23,963.57.

4. The incompetent veterans, ——— and ———, with C-number of 9017775, are both hospitalized World War II veterans with legal guardians and estates of $10,000 or over.

Case No. 1 is that of a World War I veteran, hospitalized in a Veterans' Administration hospital, having a service-connected neuropsychiatric condition which is rated 100-percent disabling. The present value of his estate, which is administered by a conservator, is in excess of $15,000. The estate was accumulated during various extended periods of hospitalization when the veteran was paid the full amount of his compensation by reason of the dependency of his mother. After the death of the veteran's dependent parent, payments were stopped as of August 31, 1947. No payments have been made since that date. In the event of the veteran's death, since he has no wife, child, or dependent parent, his estate would, under the statute, be distributed to more distant relatives.

Distant relative: In case No. 2, the facts are similar to those in case No. 1, with the following exceptions: Present value of the estate is in excess of $45,000. Payments of compensation were stopped January 31, 1931, by reason of veteran's estate exceeding $3,000. No payments of compensation have been made since that time. The estate was accumulated during various extended periods of hospitalization when the veteran was paid compensation and received insurance payments of $56.02 per month since May of 1923. Insurance payments are currently being made to the conservator. In the event of the veteran's death, since he has no wife, child, or dependent parent, his estate would, under the statute, be distributed to more distant relatives.

Veteran A (value of estate $54,328): This is a World War I veteran. The guardian was appointed in November 1925, and the moneys in the estate have been accumulating since that time. Originally the veteran received $20 per month and under laws passed by Congress, that amount was increased at various times until he was receiving $50 per month. He also was receiving $25 per month from his insurance policy. When his estate from moneys received from the VA exceeded $1,500, the compensation was suspended. This occurred in April 1949 when the veteran's dependent mother died. Since that time the estate has increased to the amount of $54,328, due to moneys received from VA insurance of $25 per month and investments made by the bank trustee.

Veteran B (value of estate $49,348): This also is a World War I veteran, previously receiving disability compensation, due to a 100 percent disability, in the amount of $100 per month beginning April 1, 1921. This amount was subsequently increased under acts of Congress. When his three minor children became of age and his wife died, disability compensation ceased in September 1947, but his railroad retirement and insurance payments continued and the trustee received considerable interest, mostly on United States savings bonds, series G.

Veteran C (value of estate $48,145): This is a World War I veteran with history of accumulation of estate the same as stated above. Veteran's estate in excess of $1,500 and VA compensation suspended. Amounts accumulated in the trustee's hands due to investments.

Veteran D (value of estate $29,057): This is a World War I veteran, 100 percent disabled. He is receiving $172.50 per month, estate being handled by bank trustee and money disbursed by them for his expenses. He also receives war-risk insurance in the amount of $57.17 per month. Payments still continue due to his 100-percent disability.

Veteran E (value of estate $26,003): This is a World War I veteran, 100 percent disabled. Hospitalized at VA hospital, since July 1928. Disability compensation suspended in June 1938 as being in excess of $1,500. Present estate accumulated from investments and interest and from certain money received as inheritance.

I recall two cases recently in which rather substantial estates descended to heirs other than legal dependents. In both of these cases, the veterans were in receipt of 100-percent service-connected compensation since World War I and were not hospitalized. Both veterans lived in the country, and for many years had been living on approximately two-thirds of their monthly compensation. The estate of one veteran at the time of his death was $12,870.75. The estate of the other at the time of his death was $18,847.83. This latter veteran died in a Veterans' Administration hospital, which he had entered shortly before his death. Payments of compensation to him were suspended on the date on which he entered the hospital.

Several of the estates belonging to hospitalized veterans, listed on the committee's questionnaire, will apparently escheat to the Government. In this connection, in 1950 a veteran died in a Veterans' Administration hospital and an estate of $35,336 escheated to the United States.

Nephew or his heirs benefits: Our chief attorney reports that we have experienced no cases of the distribution of a veteran's estate to distant relatives as contemplated in your inquiry since the activation of this regional office. This situation could occur in the near future in one instance. One elderly female veteran of World War I was hospitalized soon after service because of dementia praecox. Years later, senile and completely disoriented, she was placed in a convalescent home where she now resides. She receives $181 monthly compensation and $57.50 monthly war-risk insurance from the Veterans' Administration. Her estate, representing only Veterans' Administration payments and earnings thereon now totals $49,676.84. Her next-of-kin and heir-at-law is a sister in much the same condition as the veteran, except financially. Neither has very long to live and upon the death of the survivor, the estate will be distributed to a nephew, or his heirs.

SEVEN BROTHERS AND SISTERS

B was in World War I, serving from September 20, 1917, through May 1, 1919. At the time of his separation from service, he was transferred to the VA hospital at North Little Rock, Ark., arriving at such hospital on May 2, 1919. He remained a patient continuously in such hospital until the date of his death in April of 1956. A claim for disability compensation and insurance was filed on his behalf and he was awarded compensation from May 1, 1919, and also total disability on his Government life insurance, the payments on such life insurance was awarded at the rate of $57.50 per month. His father qualified as guardian of his estate in 1922, at which time the accrued disability insurance payments were made to the father as guardian and compensation payments, which had previously been paid to the manager, Veterans' Administration hospital, under an institutional award, was made to the father.

Shortly after the guardian was appointed, compensation payments were terminated inasmuch as the veteran was single, hospitalized, without dependents, and had an estate in excess of $1,500.

In 1946, the father and the mother filed a claim with the Veterans' Administration alleging themselves to be dependent parents of the veteran. In such year, the claim of the dependent parents was allowed and compensation in the full amount was paid to the guardian. At the time the parents established their dependency, the guardian's account showed assets in the estate of the veteran in the total amount of $25,869.61, consisting of real estate valued at $8,380 purchased by the guardian for the ward out of insurance payments and cash and bonds in the amount of $17,489.61.

After the VA recognized the parents as being dependent, an order of the court was obtained in the guardianship estate authorizing the guardian to pay for the support and maintenance of the dependent parents $140 per month from March 11, 1947. This order was later increased to $173 per month on the 9th day of December 1948. This allowance

order continued for the benefit of the dependent parents until the date of the veteran's death. As the parents were held dependent, compensation originally was at the rate of $138 per month but due to various raises in compensation was finally paid at the rate of $198.50 per month.

Since the date in 1946 when the dependency of the parents was established, compensation payments have been made to the guardian in the sum of $20,769. From March 11, 1947, the date of the first court order authorizing payments for the support and maintenance of the dependent parents, the guardian has paid out for such purpose the sum of $17,548. The last annual account of the guardian, filed on January 5, 1956, showed the total value of the veteran's estate to be $44,910.68, consisting of real estate of the value of $8,380 and cash and bonds in the amount of $36,530.68.

Thus, it will be seen that due to the application of Public Law 662 in its present form to this case and the establishment of the dependency of the parents of the veteran, the Veterans' Administration paid out in excess of $20,500 in compensation to the veteran, his dependent parents drew out of such estate approximately $17,500 for the same period, yet the veteran's estate increased from $25,869.61 to the sum of $44,910.68.

The veteran is dead, he was never married, therefore, no wife or child survive him. The veteran received continuous hospitalization from the Veterans' Administration from 1919 to the date of his death in 1956. The veteran's mother has recently died. The veteran is survived by his father and seven brothers and sisters. The father is over 80 years of age. At this time, the father will inherit from the veteran something over $22,000 and the brothers and sisters will inherit the other $22,000. When the father dies, the brothers and sisters will inherit his estate which was derived from his inheritance from the veteran.

Who is the beneficiary of the compensation paid by the Veterans' Administration for the benefit of this veteran?

With reference to the last paragraph of your letter, the following report is made: We are supervising the case of ———, a veteran of World War I, ———. Our record goes back to 1918, and it appears that this man is service connected, World War I, for dementia praecox. He received $100 a month from November 13, 1918, to April 30, 1925, when his award was reduced to $20 a month because of being hospitalized. He is now hospitalized at the Veterans' Administration hospital, Roseburg, Oreg. He has been hospitalized since November 1, 1926, and the manager of the hospital was paid for his account the sum of $20 per month through June 30, 1930. It also appears that this veteran has received total, permanent insurance benefits in the sum of $57.50 throughout practically the entire period to date, and is still receiving these insurance payments. The guardian for the estate of the veteran was appointed in the Second Judicial District Court of the State of Nevada, ———. This guardianship is still in force and effect, and as of January 8, 1955, there was a total estate, all Veterans' Administration assets, in the sum of $33,641.06. The veteran's claims file discloses he was born January 4, 1902. He is single with no children. Information from the Nevada State Hospital filed December 15, 1920, discloses that the name of the patient's mother and father were unknown and the patient refused to answer any questions. A contact with ———, attorney at law, of this city, who has been the veteran's guardian from the beginning, disclosed the fact that ——— made a thorough investigation during the 1920's and was not able to find any living relatives of ———. However, it is very possible that at the time of ——— death, a distant relative will show up who could inherit the estate.

The case of ——— involves a World War I veteran who has been 100 percent disabled since he was discharged from World War I on November 8, 1918. He was never married and had no children. The veteran is not now receiving any compensation due to the fact that his estate is in excess of the statutory allowance. He is hospitalized, without dependents and incompetent. However, he still receives $57.50 a month insurance, and as of June 30, 1955, the Veterans' Administration estate was $17,170.96. This office does not have any definite information as to heirs capable of inheriting in the State of the veteran's residence, to wit, California, but it is believed that the present guardian, ——— is the sister or some other relative, and that there are several relatives of the veteran ———.

The case of ——— involves a World War I veteran who was discharged February 7, 1920. He was service-connected from discharge. He has no dependent wife, children, or parents. He is at the present time hospitalized at Fort Douglas Station, Salt Lake City, Utah. He has a sister, ———. The only payments being made now are $57.50 a month insurance payments for total disability. As of March 1, 1955, the Veterans' Administration estate was $17,990.78.

Payments to relatives in foreign countries: The case of ——— involves a veteran of World War I who has been receiving total service-connected disability benefits since May 29, 1919. At the present time his father and mother are dead and he has no wife or children, but has distant relatives such as cousins, etc., in Italy. He is hospitalized at Fort Meade, S. Dak. He is receiving $28.75 total disability insurance under a United States Government life insurance policy. The veteran's estate as of April 30, 1955, all from the Veterans' Administration, was $15,633.45.

The case of ——— involves a veteran of World War I who has been rated incompetent and 100 percent disabled since December 11, 1918. He has no wife, children or dependent parents and has been in and out of hospitals ever since 1918. He is, at the present time, out of the hospital and receiving $181 a month disability compensation and $57.50 per month total disability insurance. His estate is increasing at the rate of approximately $800 a year. The veteran has a brother who is his guardian and who would inherit.

———. This veteran served from June 19, 1918, to September 6, 1919. He has a service-connected mental disability. He has been continuously hospitalized at Veterans' Administration expense since discharge. A committee has handled his estate since June 5, 1920. Payments of disability compensation stopped October 1932, but insurance payments have continued at the rate of $57.50 per month. In October 1932 his estate was valued at $22,362.93 but now is $49,930.

The veteran's father, ——— resided in Mervin, Russia, but letters to him in 1929 were returned. In 1934 it was reported through the Red Cross that he had a sister in Russia.

———. This veteran served between October 27, 1918, and December 11, 1918. He has a service-connected mental disability and has been hospitalized at Veterans' Administration expense since shortly after discharge. A committee has handled his estate since May 25, 1925. Payments of disability compensation stopped in July 1946 when the dependent father died. At that time his estate was valued at $11,842 but now is $15,303. The veteran has 1 brother and 2 sisters.

Relatives in Europe and South America: ———. This veteran served from May 23, 1918, to August 27, 1918. He has a service-connected mental disability. He is not hospitalized. A committee has handled his estate since August 4, 1922. The committee receives disability compensation of $181 per month and insurance of $57.50. His estate is valued at $54,813.39. The committee expends $100 per month for room, board, and maintenance; $35 per month for spending money and such amounts as are needed for medical and dental care. The veteran has 1 brother in this country, 2 brothers and a sister residing in Poland and a sister residing in East Prussia. There is another sister, who was last heard from 10 years ago when she was living in Buenos Aires, Argentina.

———. This veteran served between July 26, 1918, and March 18, 1919. He has a service-connected mental disability. He has been continuously hospitalized at Veterans' Administration expense since his discharge. A committee had handled his estate since November 10, 1919. Payments of disability compensation were stopped July 7, 1933, but insurance payments have continued at the rate of $56.80 per month. At that time his estate was valued at $22,641.91 but now is $52,269.72.

Reports in 1934–35 show the veteran had a brother and four sisters in Warsaw, Poland. There was also a brother, now deceased, who left surviving him six children in Warsaw, Poland. Another sister resides in Israel. An additional sister immigrated to the United States about 1915 but was reported deceased.

———. This veteran served between December 11, 1917 and February 9, 1919. He has a service-connected mental disability. He has not been hospitalized for this condition. A committee has handled his estate since June 9, 1921. Payments of disability compensation are made at the rate of $91 per month and insurance of $57.50 per month. His estate is valued at $54,991.65. The committee expends $150 per month for the maintenance of the veteran.

The veteran has 3 brothers and 2 sisters, none of whom have seen him in years.

———. This veteran served from May 10, 1918, to April 15, 1919, and from May 10, 1919, to June 1, 1921. He has a service-connected mental disability. He has been continuously hospitalized at Veterans' Administration expense since his discharge. A committee has handled his estate since April 11, 1922. Payments of disability compensation stopped July 17, 1933, but insurance payments continue at the rate of $28.75 per month. At that time his estate was $7,595.32 but now is $20,692.43.

A report from the Polish Embassy dated September 29, 1930, contains a statement from the veterans' alleged sister that the veteran is her brother and that the parents and all other brothers and sisters are dead. She was living in the village of Babrairninkai, Aukstadvaris Community, Lithuania. The committee offered to pay her way for a visit to the United States, but the hospital reported that the veteran did not want to see his sister.

Fifty thousand dollar estate to sister in Italy. ———. This veteran served from July 22, 1918, to December 15, 1918. He had a service-connected disability and was hospitalized at Veterans' Administration expense since shortly after his discharge. A committee handled his estate since December 20, 1924. Since the veteran had a dependent father in Italy, payments of disability compensation were made to the committee until November 1940 when they were discontinued as information as to the continued dependency could not be obtained from Italy, due to the unsettled conditions in that country. At that time the veteran's estate was valued at $34,382.53. The father died in 1941, so compensation payments were never resumed. The veteran died January 15, 1954, leaving one sister, in Italy, surviving him. The committee turned over to the administrator of the veteran's estate the sum of $50,504.18, which will eventually be paid to the sister.

3. As will be noted, our check of 100 cases at random of veterans who have no

wife, child, or dependent parent, serves to reveal that the value of estate in 39 of said cases was under $1,500; the remaining 61 cases have been listed in the categories as supplied by the committee commencing with a minimum estate valuation of $1,500. Incident thereto and with consideration being given the provisions of the statute, Public Law 662, 79th Congress, it was considered that the following comment might prove of some value:

(a) Of the 6 cases falling within the 2 top categories, with the respective estate valuations exceeding $25,000, it was ascertained that all of the 6 estate wards are World War I veterans and that there is currently being paid United States Government insurance disability benefits into each of these estates. As will be readily appreciated, the identified income flows from a contractual source and is not a gratuity.

(b) Two of the group of 6 cases are not affected by the provisions of Public Law 662, 79th Congress; 1 having been continuously maintained in a private hospital at the cost of the estate and the second has not received hospital care for a great many years. This man's estate has shown material increase by reason of the fact that, notwithstanding patent incompetency, he has evidenced miserly tendencies and has insisted upon living in the cheapest type of living quarters with disbursements from the estate being restricted to the absolute minimum.

(c) Of the remaining 4, the estates of 2 of these veterans have been materially augmented by full compensation and insurance payments during long periods in which the dependent parents were living and in whose behalf financial assistance was supplied from the respective estates.

(d) One of the 2 remaining estates is that of a veteran who was legally adjudicated 7 years ago and who was possessed of assets totaling approximately $60,000 at the time of his adjudication.

(e) Estate 36 years old: The sixth and last case, with a current estate valuation slightly exceeding $60,000, is perhaps illustrative of accumulations which may have resulted in the very old estates in which nominal disbursements have been required and which have had the benefit of excellent estate management. This estate has been in existence for a period of 36 years. Full compensation benefit payments were made into the estate of $100 per month up to September 1, 1925; thereafter, said benefit payments were reduced to $20 per month and so continued until July 31, 1930. No gratuity-benefit payments whatsoever have been paid into the estate during the past 25½ years. The estate has been continuously administered by a near relative, but not within the relationship of wife, child, or dependent parent.

4. With final reference to the supplied category listing, it may be of interest to the committee for us to point out that 1 of the cases in which a material estate has accumulated, but not falling within the group of 6 as commented upon above, has been incarcerated in the State penitentiary for approximately 42 years on a life sentence, following a conviction of murder. While no charge has ever been made against this estate for maintenance costs, yet the identified statute, as currently phrased, does not provide authority for termination of payments.

5. As concerns the type of case commented upon in the penultimate paragraph of the committee's request of January 9, 1956, a review of our files reveals only 2 cases in which the incompetent estate wards have died within the past 12 months, leaving rather material estates for distribution to relatives outside the widow, child, or dependent-parent categories. In each of said estates distribution was made to brothers and sisters.

(1) In 1 of the 2 mentioned estates, wherein an estate slightly exceeding a total of $19,000 was left for distribution, the facts were almost identical to those outlined in paragraph 3 (e) above. However, in the subject case rather material maintenance disbursements were made to dependent parents from the estate during a period of 10 years. The dependency of these parents was never administratively recognized by our agency. These dependency disbursements materially reduced estate accrual results.

(2) In the second case, an estate of $15,000 was left by the veteran for distribution. In this case there was approximately $3,000 of liquid assets delivered into the hands of the estate representative at the time of the initial appointment. In this case hospitalization was not required. Disbursements covering maintenance costs of the estate ward were made continuously throughout the administration of the conservatorship estate. Additionally, nominal monthly disbursements were made from the estate for a period of approximately 15 years for a dependent mother with whom the incompetent veteran was residing.

Estates accumulated because of dependents: There are 3 cases in this office similar in nature to the one you have described. In case an estate of $55,061.77 has been accumulated. The incompetent has been in the Veterans' Administration hospital for many years, but continues to draw compensation because he has a dependent mother. In case, the facts are identical and an estate of $25,417.33 has been accumulated. In case, the incompetent has been in the Veterans' Administration hospital for many years. He has an estate of $16,860, which was accumulated before his dependent mother died in 1948. Since that time, payments have been discontinued because his estate exceeds the statutory limits of $1,500. One other case may be of interest. In that case, an estate of $16,021 has been accumulated. The incompetent has been in the Utah State Hospital for a long period of time, and the guardian has paid the cost of hospitalization, fixed by the State at $50 per month. The Veterans' Administration has paid his guardian the full amount of his compensation, resulting in the accumulation.

———. This veteran was under guardianship from 1931 until his death in 1955. He spent most of this time in various prisons, although for the last few months of his life he was a patient in a State mental institution. He was in receipt of a nonservice pension which was $78.75 per month when he died. He left an estate of $10,153.38 which will be inherited by a sister.

———. This veteran was under guardianship from 1924 until his death in 1954. During all of this period, he was confined either in the State penitentiary or in the criminally insane ward of a State mental institution. He received monthly payments of $56.25 under the disability clause of his war-risk insurance from World War I, and also 100 percent disability compensation which was $172.50 per month when he died. Since he was not a patient in a VA hospital, the compensation payments were not discontinued because of the size of the estate. He left an estate of $71,790.17 which was inherited by brothers and sisters.

———. This veteran was under guardianship from 1919 until his death in 1955. During all of this period, he was confined in VA mental institutions. When his dependent mother died in 1939, his service-connected compensation of $100 per month was discontinued because of the size of the estate, but war-risk insurance payments of $57.50 per month continued until his death. When his mother died his estate totaled $22,000. He left an estate of $41,780.40, which will be inherited by a brother and a sister.

———. This veteran was under guardianship from 1931 until his death in 1955. His whereabouts were unknown from 1939 until May 1954. Payment of his nonservice pension was discontinued while he was missing. At the time of his death, he was receiving $78.75 per month. He left an estate of $3,050.99 which will be inherited by a brother.

———. This veteran was under guardianship from 1922 until his death in 1952. He was not a hospital patient during most of this period. He received service-connected compensation which was $150 per month at the time of his death. He lived alone and his needs were not great. He left an estate of $23,899.79 which was inherited by brothers and sisters.

———. This veteran was under guardianship from 1930 until his death in 1955. He was a patient in the VA hospital at American Lake, Wash., from 1930 until 1943. Payment of compensation was in suspense during this period because of the size of the estate. When he was released from the hospital, the estate totaled approximately $7,000. He returned to his native Turkey in 1946. At the time of his death, his compensation had been reduced to $73 per month, because of his improved condition. He left an estate of $4,594.80, which will be inherited by collateral relatives.

———. This veteran was under guardianship from 1939 until his death in 1954. During all this period he was an inmate of the State Soldier's Home at Orting, Wash. He was in receipt of service connected disability compensation, which was $172.50 per month at the time of his death. He left an estate of $11,465.38 to be distributed to three sisters.

———. This veteran was under guardianship from 1928 until his death in 1950. He was not in a hospital, but lived alone during this period. He was in receipt of service-connected disability compensation, which was $150 per month at the time of his death. Because of his preference for a frugal way of life, his monthly expenses were small. He left an estate of $30,720.65, which was inherited by a sister.

———. This veteran, who is still alive, has been under guardianship since 1923. He receives service-connected compensation of $181 per month and also war-risk-insurance payments of $57.50 per month. He lives on a farm, and his needs do not equal his income. At the present time his estate totals approximately $36,000, and he will shortly receive an inheritance of an amount greater than this. He has no wife, child, or parent, and upon his death his estate will go to collateral heirs.

———. This veteran, who is still alive, has been under guardianship since 1923. He receives service-connected compensation of $181 per month and also war-risk-insurance payments of $57.50 per month. For many years his condition did not permit the expenditure of any great amount for his needs. His condition has now improved, and he is currently spending slightly in excess of the income. However, he is now 65 years of age, with an estate of approximately $16,000. He has no wife, child, or parent, and upon his death his estate will go to collateral heirs.

Fifty-two-thousand-dollar estate: ———. This veteran, who is still alive, has been under guardianship since 1921. At all times since that date he has been a patient in the VA hospital at American Lake, Wash. Until the death of his dependent mother in 1942, he received 100-percent service-connected compensation payments, in addition to $56.76 per month from war-risk insurance. The compensation was discontinued in 1942 because of the size of his estate, as he was without dependents, but the insurance payments have continued. At the present time his estate totals approximately $52,000. He has no wife, child, or parent, and upon his death his estate will go to collateral heirs.

———. This veteran, who is still alive, has been under guardianship since 1921. At all times since that date he has been a patient in the VA hospital at American Lake, Wash. Compensation payments were discontinued

in 1930 because of the size of the estate (under the provisions of the amendatory law of July 3, 1930). Payments of $57.30 per month war-risk insurance have continued to the present time. At the present time his estate totals approximately $56,000. He has no wife, child, or parent, and upon his death his estate will go to collateral heirs.

———. This veteran, who is still alive, has been under guardianship since 1926. He was a patient in the VA hospital at American Lake, Wash., until his discharge in 1952, when he returned to his native Italy. His dependent father died in 1945, at which time his compensation was stopped because of the size of his estate and remained in suspense until his discharge from the hospital. He presently receives $181 per month compensation and $51.75 per month war-risk insurance. At this time, his estate totals approximately $52,000. He has no wife, child, or parent, and upon his death his estate will go to collateral heirs.

———. This veteran, who is still alive, has been under guardianship since 1930. He was hospitalized intermittently until 1945, and has been out of the hospital since that date. He presently receives $181 per month compensation and $57.50 per month war-risk insurance. At this time, his estate totals approximately $29,000. He has no wife, child, or parent, and upon his death his estate will go to collateral heirs.

———. This veteran, who is still alive, has been under guardianship since 1929. He has not been in a hospital for any substantial portion of this time. He receives service-connected compensation of $181 per month, and war-risk insurance of $51.75 per month. He has always lived in a miserly fashion and has resisted all attempts by this office and his relatives to improve his standard of living. At this time, his estate totals approximately $48,000. He has no wife, child, or parent, and upon his death his estate will go to collateral heirs.

Payment to brother in Hungary: ———. This veteran was discharged incompetent 1918 and hospitalized by the VA until August 12, 1924. At that time he was returned to Hungary at his own expense and placed in a state institution where he remained until his death December 20, 1942. The veteran had been in receipt of compensation and disability insurance payments at the time of his return to Hungary, his estate totaling $8,026.36. No compensation was paid in the year 1926; otherwise, compensation and insurance payments continued through March 1942. Monthly allowance of $60 was remitted by the guardian for the veteran's support and maintenance through December 1940. A substantial estate accumulated because income to the estate from compensation, insurance, and earnings on investments greatly exceeded expenditures. In 1947, a total estate of $32,026.52 was delivered to the administrator of the veteran's estate. The file indicates that distribution was originally made to the estate of a deceased brother who had been a resident of Hungary, with subsequent administration and distribution to this man's widow and son, also residents of Hungary.

———. This veteran was hospitalized about January 1925 and remained hospitalized until the time of his death, August 7, 1954. Compensation was paid from December 21, 1924, until June 1937, when the veteran's dependent mother died. Payments were stopped at this time as the estate exceeded $1,500. After the death of the veteran, an estate totaling $6,597.57 was delivered to the administrator. The file indicates distribution to 3 sisters and 1 brother.

———. This veteran was hospitalized 1922 to 1925. Accrued compensation in the amount of $5,938.39 was paid to the guardian on February 6, 1924. Compensation was stopped August 30, 1926, because the veteran was rated with less than 10 percent disability. At this time the value of his estate was approximately $5,700. He was rehospitalized October 1931. At this time his estate totaled about $3,200. Compensation was never resumed as his estate exceeded $1,500. A lump-sum insurance premium refund of $960.90 and a lump sum of $632.50 on converted insurance was paid January 10, 1936. Monthly disability insurance payments of $57.50 were paid from 1931 to the veteran's death, April 30, 1952. An estate totaling $22,489.29 was delivered to the administrator with distribution indicated to two sisters.

———. This veteran received VA hospitalization for several years until May 1929 at which time he was transferred to Psychopathic Hospital. He remained there until his death on January 2, 1950. There is no record of disability insurance payment in this case. Compensation was paid from April 28, 1922, until the date of the veteran's death. An estate totaling $11,106.98 was delivered to the administrator with distribution indicated to one brother as the sole heir.

———. Compensation has been paid in this case from July 1921. The veteran is not hospitalized. Disbursements for support of the veteran now exceed compensation paid by the VA. Total value of the estate as of the last accounting by the guardian is $16,135.68, and this amount is considered not as VA funds but as inheritance from veteran's father.

———. This veteran has been hospitalized from 1918 to date. Accrued compensation in the amount of $6,287 and accrued insurance in the amount of $7,590 were paid in 1929. Compensation payments were stopped in 1930. The guardian paid $40 per month to dependent father from 1934 to 1941 but compensation was not resumed. Disability insurance payments of $57.50 per month have been continued. Total value of the estate as of the last accounting by the guardian is $43,268.

Hospitalized from 1922, $49,000 estate: ———. This veteran has been hospitalized since 1922. No compensation payments have been made since September 1930. Accumulated disability insurance in the amount of $11,385 was paid in 1936. Monthly disability insurance payments of $57.50 have continued to date. Total value of the estate as of the last accounting by the guardian is $49,931.27.

———. This veteran had lived with relatives and was not hospitalized until 1949. He has remained hospitalized to date. Accrued insurance of $2,587 was paid in 1927. Compensation was received from 1927 to 1949 and disability insurance payments have been paid from 1927 to date. Total value of the estate as of the last accounting by the guardian is $34,441.70.

———. This veteran was hospitalized November 1927 to August 6, 1951. He is not hospitalized at this time. Compensation was paid from December 1927 until May 1932 at which time it was stopped as the estate exceeded $3,000. Disability insurance payments of $57.50 per month have been paid from June 1928 to date. The benefits currently being paid are compensation in the amount of $172 and disability insurance of $57.50 per month. Total value of estate as of the last accounting by the guardian is $20,018.51, of which $1,480 is real estate not purchased with VA funds.

———. This veteran was originally hospitalized August 1922. He eloped June 1923. He was again hospitalized 1927. Compensation was stopped August 30, 1933, because his estate was over $1,500. Compensation was reopened January 1935 when dependency of mother was established and payments continued to October 6, 1939, the date of her death. The veteran was released from the hospital in April 1944 and compensation was resumed, continuing until November 1955 when the veteran reentered the hospital. There is no record of disability insurance payments in this case. Total value of the estate as of the last accounting by the guardian is $21,864.20.

———. This veteran was hospitalized in April 1924. Compensation was paid from October 1925 through June 1933 when it was stopped as the estate exceeded $1,500. Compensation was reopened September 1938 when the veteran was released from the hospital and continued until March 1944 when he reentered the hospital. Accrued disability insurance of $903.65 was paid January 1926 and monthly payments of $5.75 have continued to date. The total value of the estate as of the last accounting by the guardian is $10,019.23.

Hospitalized since 1918: ———. This veteran was originally rated incompetent and hospitalized March 1918. Accrued compensation of $6,336.18 was paid in January 1924. Dependency of mother was established June 1926. Compensation was stopped December 1929 under General Order 382, but resumed January 13, 1936, and continued through October 1940 when payments were stopped pending determination as to continued dependency of mother. Payments were not resumed. It was determined the mother died in Poland March 1946. There is no record of disability insurance payments. Veteran has been hospitalized almost continuously since his discharge in 1918, and is now hospitalized. Total value of the estate as of the last accounting by the guardian is $30,805.66.

———. This veteran was originally hospitalized September 1921 to May 1929 at which time he eloped. He was rehospitalized July 1933 and again eloped in May 1941. His whereabouts is presently unknown. Compensation was paid from September 1921 to May 1929. Accrued disability insurance was paid October 1934 in the amount of $8,871.20. Monthly disability insurance of $57.50 was paid thereafter to January 1942 when payments were stopped because veteran's whereabouts unknown. Total value of the estate as of the last accounting by the guardian is $25,570.07.

———. This veteran was hospitalized in August 1922 but eloped July 1924. He was rehospitalized December 1931 and discharged from the hospital October 1947. Accrued compensation of $9,380 was paid April 1932. Dependency of mother was established May 1932 and continued until her death in February 1938, at which time compensation payments were stopped. Compensation was reopened in October 1947 when the veteran was released from the hospital and payments are currently made in the amount of $181 per month. Total value of the estate as of the last accounting by the guardian is $15,480.38.

———. This veteran has been hospitalized from 1919 to date. Compensation was paid from 1924 to September 1930. Disability insurance was paid from January 1926 and $57.50 per month is currently being paid. Total value of the estate as of the last accounting by the guardian is $32,287.78.

———. This veteran was committed February 1920 to Woodcroft Hospital in Pueblo, Colo., and later transferred to VA hospital from which he was released in August 1926. He has not been hospitalized since. Disability insurance payments have been paid continuously from August 1919 and compensation continuously from April 1920. The veteran resides in California. He has supplemented his income by odd jobs and has requested the guardian to reduce his monthly checks for support and maintenance because "the Government may need the money." It is indicated that the veteran inherited sums through administration of relatives estates in California. These amounts were paid to veteran and have not been paid to the guardian. Total value of the estate as of the last accounting by the guardian is $52,498.75.

———. World War I veteran, was hospitalized continuously by the United States

Government from date of discharge to date of death on November 8, 1955. He had no dependents or relatives of record and on the date of death the committee for his estate had a balance of $6,003.31, representing benefits paid by the Veterans' Administration. If it is found that the estate will escheat, it will be claimed for the post fund under the provisions of section 17 of title 38 United States Code Annotated.

Thirty years a patient, $66,000 estate: The committee for the estate of ——— is receiving from the Veterans' Administration disability compensation in the amount of $181 monthly and United States Government insurance in the amount of $57.50. The last accounting reports a balance on hand received from the Veterans' Administration in the amount of $66,243.72. The veteran has been a patient in the State hospital for the past 30 or more years. His only relative of record is a sister. Disability compensation payments were suspended under the provisions of Veterans Regulation No. 6 and were subsequently resumed under the provisions of Public Law 662, 79th Congress.

Approximately 12 months ago ——— died in a Veterans' Administration hospital, leaving an estate of $11,000, $5,000 of which represented benefits paid by the Veterans' Administration. The estate was distributed to several nieces and nephews residing in Greece, who had not seen the veteran in many years.

During the past 3 years several veterans have died in the Veterans' Administration Center, Kecoughtan, Va., who prior to their death had received domiciliary care over a period of years, leaving funds on deposit in the amount of from $2,000 to $5,000 which would have been paid to the post fund under section 17 of title 38 United States Code Annotated had they not been claimed by distant relatives who had not shown any interest in or contacted the veterans during their long stay in the Veterans' Administration center.

Benefits to stepfather: ———. This veteran drew service connected benefits from the date of his commitment to a State hospital in the year 1922 until his death in 1954, at which time his estate was valued at more than $30,000. After payment of administration costs a balance in excess of $30,000 was paid to the estate of his mother, who had survived him but whose death occurred before actual distribution of the veteran's estate. There is information of record to the effect that the mother remarried less than 30 days prior to her death and that this individual has received, or will receive, the surviving husband's share of her estate. Records show that this veteran was raised by foster parents, who predeceased him, and that he never left the confines of the State hospital from the date of commitment in 1922 to the date of death in 1954. No next of kin were ever located until about July 18, 1942, when notice was received of an application by one claiming assistance from the estate as the veteran's dependent natural mother. As the result of this application to the county court and hearing thereon, the court decreed her to be the natural mother and ordered certain allowances paid from the estate. Support allowance payments to her were thereafter continued until the veteran's death.

Eighty-year-old veteran, $56,000 estate: ———. A World War I veteran. He has been under guardianship since February 1920. He is a single man, no children, with a dependent parent, ———, who is past 80 years of age, and in a greatly weakened condition. At the time of the date of this memorandum, veteran has an estate of approximately $56,000, which was derived basically from service-connected disability compensation and war risk insurance. Veteran's estate increases at a rate of approximately $2,000 a year. He is now and has been a patient at the VA hospital, ———, for a period of over 20 years. Veteran's mental prognosis is poor, although his general health apparently is good, and he will probably live for a number of years. Veteran's dependent parent, ———, receives $75 a month from veteran's estate, which is ample for his needs. Veteran is survived by one sister and several nephews and nieces who will be the heirs at law of this veteran, and receive the corpus of the estate at his death, in the event that the father does not survive veteran.

———. This case is submitted under paragraph 4 of the basic letter, relating to comments on cases not falling within the specific types to be listed, in that the aforementioned is the widow of said individual, who was under guardianship for a number of years in November 1952, died in November 1952, leaving no children or dependents. Her entire estate of $6,100 was inherited by nephews and nieces, none of whom apparently had ever seen or contacted decedent. Widow died in a State hospital, and her estate was derived from pension, received as unremarried widow of the veteran in this matter.

Sister-in-law to benefit: ———. A World War I veteran. During his lifetime, he was under guardianship from May 1927, until the time of his death. He left an estate composed of money and bonds, totaling approximately $32,000 at the time of his death, in March 1955. He was a single man with no children, dependents, or living parents. Veteran was not in a VA hospital at the time of his death, and his estate was derived from compensation and war-risk insurance. His estate increased at the rate of approximately $1,000 a year, after making allowances for the veteran's care and upkeep, during his lifetime. This veteran's estate is now being probated in the probate court of ———, and veteran's estate, after deducting the normal costs of administration, will be distributed to his heirs at law, consisting of 3 brothers, 1 of whom died a few weeks after veteran, and whose respective share will descend to his widow, a sister-in-law of the veteran in this case.

———. A World War I veteran. He has been under guardianship since December 19, 1921. He is a single man, no children or dependent parents. He has an estate of $32,958.60. This estate was chiefly created by the payment of disability compensation and war-risk insurance. His estate increases in value at approximately $1,500 a year, which is composed of war-risk insurance and earnings on the investments. He is, and has been, a patient for a number of years in the Veterans' Administration hospital, ———. The chances are very strong that this veteran will never reach a sufficient recovery to be released from the hospital.

———. A veteran of World War I. He has been under guardianship since February 13, 1922. He has an estate composed of money, bonds, and real property in the aggregate amount of $38,441.52. This estate was created by the payment of disability compensation and war-risk insurance. He is a single man, has no children, and no living parents. During a period of running of this estate he had dependent parents to whom an allowance was made from the estate. The parents expired a number of years ago. This estate increases at the rate of approximately $1,500 a year as the result of the payment of war-risk insurance, rental on the farms, and interest on investments. He is and has been a patient in the Veterans' Administration hospital, ———, for many years, and the chances are strong that he will never reach a sufficient recovery to be released from the hospital.

———. A veteran of World War I, has been under guardianship since January 7, 1931. He has an estate composed of money and Government bonds in the amount of $32,958.60, created by the payment of disability compensation, war-risk insurance, and earnings on investments in the estate. The estate increases on the average of $1,300 to $1,400 a year by the payment of war-risk insurance and earnings on the investments. A substantial part of this estate was created when he had a dependent mother. The mother expired a number of years ago. He has no dependent wife, children, or parents. This veteran is and has been a patient in the Veterans' Administration hospital, ———, for a number of years. It appears unlikely that he will ever recover sufficiently to be released from the hospital.

World War I insurance payments continue: ———. Born July 16, 1892; served in the United States Navy from May 16, 1918, to August 12, 1919. He has been held incompetent and insane since August 14, 1919, and a guardian was appointed for him on June 23, 1921, by the probate court, ———. He is single and has never had wife or child and has no living parent. He is a patient at Veterans' Administration hospital, ———, and has been for many years. The present value of his estate is $49,915.85, consisting of United States bonds, cost price $40,415.85, and real estate, cost price $9,500. All these assets were purchased with funds derived from the Veterans' Administration. Compensation payments have stopped, but the estate still receives United States Government life insurance in the amount of $57.50 per month. The estate is increasing at the approximate rate of $2,000 per year, the increase consisting of bond interest, rent, and insurance payments. Expenditures each year cover costs of administration and approximately $150 to the Veterans' Administration hospital for the use of the veteran.

———. Born September 19, 1896; served in the United States Army from September 5, 1918, to November 30, 1918. He has been incompetent since November 30, 1918, and a guardian was appointed for him on June 7, 1919, by the probate court, ———. This veteran is presently at Veterans' Administration hospital, ———, and has been for many years. His total estate is $49,759.58, consisting of United States bonds purchased with funds paid by the Veterans' Administration except for the sum of $961. Payments of compensation have stopped, but the veteran receives $57.50 per month from United States Government life insurance. This estate increases approximately $1,000 per year, and the increase is received from interest on bonds; costs of administration are paid; and approximately $200 per year is forwarded to Veterans' Administration hospital, ———, for the use of the veteran.

Murderer's estate increasing at rate of $2,000 per year: ———. Born May 19, 1894, served in the Army from June 28, 1918, to December 2, 1918. He was held to be incompetent and insane from August 3, 1925, and the last rating so holding is dated September 8, 1939. The monthly payment of compensation is $181. On December 3, 1925, this veteran was found guilty of murder and given a life sentence, which he is now serving in the State penitentiary at ———.

The death of this veteran's mother occurred on February 14, 1932, and under the law then in effect payments were stopped as of that date. He now has neither wife, child, nor dependent parent. Payments of compensation were resumed to the guardian of this veteran's estate under Public 662, 79th Congress, effective August 8, 1946, said payments commencing as of August 8, 1946. Under prison rules an inmate may have a maximum of $5 a week for personal needs. This estate will increase approximately $2,000 a year. The present estate is $20,000.

———. Born May 30, 1897, served in World War I. A guardian was appointed for his estate on November 26, 1924. This veteran has no wife, child or parent. His mother's death occurred on July 5, 1953. The veteran was a patient in the State hospital at ——— until July 15, 1954, when he was transferred to ——— Soldiers' Home, ———. Under the State law there is a charge of $12 a week

for maintenance and support. Veteran receives United States Government life insurance in the amount of $56.23 a month, compensation from the Veterans' Administration of $181 a month, and interest on bonds in his estate amounting to approximately $50 a month. He receives approximately $287 a month. His present estate is in excess of $27,000. The estate will increase about $2,500 a year. Insurance payments since November 11, 1921, amount, up to the present time, to $23,110.53.

———. Under guardianship since 1948; original inventory was $18,460.36; present estate is $15,918; receives VA insurance payments; all other assets are non-VA; nearest relative is sister.

Forty-seven thousand dollars in Government bonds—brother to benefit: ———. Present estate, $47,297; under guardianship since 1926 to receive Government insurance payments, which are still being paid; assets all United States bonds; brother nearest relative; dependent mother died 1941, up to which time compensation payments were received.

———. Under guardianship since 1920; present estate, $20,919. Dependent mother died 1948; Government insurance still being paid monthly to estate; nearest relative and present guardian sister of veteran.

———. Under guardianship since 1929; present estate, $11,790; no payments being made; nearest relative is brother, who is guardian.

———. Under guardianship since 1925; present estate, $10,347; monthly compensation payments of $181 being made to guardian; veteran has no known relatives; hospitalized; mother was guardian until her death in 1935.

———. Under guardianship since 1924; present estate, $12,320; no VA payments being made; nearest relatives sister and brother; guardian received monthly VA payments until 1943 when veteran's wife died and payments then stopped.

———. Under guardianship since 1923; present value of estate, $12,093; no current VA payments made since 1954, when veteran's dependent mother died; nearest relative sister, who is guardian.

———. Under guardianship since 1924; present value of estate, $14,240; no payments made currently nor have there been since the original $1,900 in 1924. Balance of estate accrued through non-VA sources. Veteran has no known relatives in the United States; escheat proceedings will probably be taken upon death of veteran.

———. Under guardianship since 1935; value of estate, $10,719; veteran lives at nursing home; guardian receives VA compensation and insurance payments; sister nearest relative.

———. Under guardianship since 1928; value of estate, $27,728, current insurance payments; brother nearest relative; estate built up from original sum of $2,100 plus insurance payments, monthly, and interest on investments.

———. Under guardianship since 1923; estate value, $21,244; only income is interest on investments and dividends; dependent mother died 1949; brothers and sisters nearest relatives.

———. Under guardianship since 1918. Value of estate, $68,039; present income consists of monthly VA insurance payments, interest on investments, and dividends. Estate comprises all VA funds. Nearest relative is brother.

———. Under guardianship since 1937; estate value, $14,109; receives monthly Navy retirement benefits; veteran's mother died 1949; guardian-sister nearest relative.

———. Under conservatorship since 1929. Estate value, $17,736; income consists of interest and monthly compensation payments from VA. He is not in hospital; nearest relative is sister.

———. Under guardianship since 1920. Current value of estate $33,168, all VA funds. Income consists of monthly insurance payments and interest on investments; sister nearest relative; mother died 1929.

———. Under guardianship since 1924; estate, $13,795; no current payments from VA; income is interest only; nearest relative is niece.

———. Under guardianship since 1921; value of estate, $37,137 with monthly VA insurance payments, interest, and real-estate rentals; dependent father and former guardian died 1946, since which time compensation payments have ceased; brother nearest relative; considerable assets are non-VA.

———. Under guardianship since 1922; estate value, $14,750 with monthly compensation payments, interest, and commercial insurance; veteran not in hospital; sister-guardian nearest relative; dependent mother died 1951.

———. Under guardianship since 1922; value of estate, $19,264; no Government payments now; income interest only; all assets came from VA; sister nearest relative.

———. Under guardianship since 1922; estate value, $22,263 with monthly insurance and compensation payments from VA; veteran now under foster-home care; nephew-guardian nearest relative; mother died 1930.

———. Under guardianship since 1936; current estate, $29,232, with rents from real estate largest source of income; also receives interest; sister-guardian nearest relative; had $9,200 worth of real estate at time of appointment.

———. Under guardianship since 1924; estate value $15,839 with VA monthly insurance and compensation payments; also receives income from rent and sale of real estate; brother-guardian nearest relative; parents deceased prior to 1926.

———. Under guardianship since 1947; current estate $1,325,289. Nearly all estate is non-VA funds represented by various types of securities; guardian also receives disability compensation and VA insurance payments; veteran in private hospital; sister nearest relative.

Thirty-one-thousand-dollar estate, income from investments: ———. Under guardianship since 1920; estate $31,122; no VA payments being made; income solely from investments; brother (if alive) nearest relative, in Poland; compensation payments therefore suspended.

———. Under guardianship since 1928; estate $27,030; insurance payments monthly from VA; brother-guardian nearest relative; dependent mother died 1937.

———. Under guardianship since 1926; estate $32,658 with monthly VA insurance payments, interest, and dividends as income; sister nearest relative; assets appear to be all VA funds.

———. Under guardianship since 1921; estate $17,321; no VA payments being made; only income is interest; sister nearest relative; dependent mother died 1950.

———. Under guardianship since 1922; estate value $18,529; VA insurance payments monthly and interest, as income; sister nearest relative; dependent father died 1946.

———. Under guardianship since 1939; estate value $16,730 with monthly retirement and insurance payments from Government; veteran's wife divorced 1949; sister nearest relative.

———. Under guardianship since 1919; estate value $12,314 with monthly payments of compensation and insurance from VA; also, income on savings; nearest relative sister with whom veteran lives in Portugal.

———. Under guardianship since 1920; estate now $17,565 with insurance and compensation payments monthly from VA; brother-guardian nearest relative, with whom veteran lives; dependent parents deceased 1932.

———. Under guardianship since 1924; estate value $39,042 with monthly insurance payments from VA and interest on investments as only income; sister nearest relative; all VA funds.

———. Under guardianship since 1924; value of estate $13,913, with current income interest on bonds; receives compensation when not hospitalized; sister nearest relative; dependent father died 1945.

———. Under guardianship since 1952; estate $12,882, with monthly VA payments of compensation; all assets are Government benefits; sister nearest relative.

Thirty-six-thousand-dollar estate, no dependents, total compensation continues: ———. This World War I veteran has been under guardianship since August 1922. He receives compensation for 100-percent service-connected disability. He has been confined in State hospital, an institution for the criminally insane, ———, since 1922. As of October 1955 his estate totaled $36,340, all traceable to benefits paid by the Veterans' Administration. Monthly payments of compensation in the amount of $181 continue. Available records fail to reveal any dependents, or in fact, any next of kin.

Niece and nephew in Switzerland: ———. World War I veteran under guardianship from November 1926 to August 30, 1955, date of his death. At the time of his death he was drawing 100-percent service-connected compensation. He was hospitalized in Veterans' Administration hospital, ——— from 1925 to 1931. In 1931, at his wish, he was delivered to the care of a brother in Zurich, Switzerland. He died in Zurich leaving an estate of $36,000, all derived from Veterans' Administration benefits. Apparently, 1 niece and 2 nephews living in Switzerland will inherit, as no closer next of kin are known to exist.

———. This World War I veteran, under guardianship since March 1920 has been in and out of Veterans' Administration hospitals since that time. Now he is hospitalized in Veterans' Administration hospital, ———. Payment of compensation for 100-percent service-connected disability is in suspense because estate is over $1,500, veteran is hospitalized in Veterans' Administration hospital, and he has no dependents. Present value of estate is $36,150, all traceable to benefits paid by the Veterans' Administration. Nearest next of kin are brothers and sisters.

———. World War I veteran has been under guardianship since May 1928. He has no dependents. Received compensation for 100-percent service-connected disability until April 1951 when payments were suspended because he was hospitalized in a Veterans' Administration facility, his estate was over $1,500, and he had no dependents. Monthly payments of war-risk insurance benefits in the amount of $42.44 continue to the present time. The estate now totals $29,486, all of which is traceable to funds paid by the Veterans' Administration. Nearest known next of kin is a sister.

Sister to benefit under $57,000 estate: ———. This World War I veteran, under guardianship since November 1919, was in and out of State institutions until July 1949, when he entered Veterans' Administration hospital, ———, where he is now. As of July 1955 his estate totaled $57,747. Compensation for 100-percent service-connected disabilities was suspended July 1949 because veteran was being maintained in Veterans' Administration facility and had no dependents. Payments of war-risk insurance benefits of $57.50 a month continue. Available records indicate a sister as the nearest next of kin. The total estate of $57,747 is traceable to funds paid by the Veterans' Administration.

———. World War I veteran under guardianship since September 1921. He is hospitalized in the Veterans' Administration hospital, ———. At the present time

$57.50 a month is being paid to his guardian, who is his sister. These payments represent war-risk insurance benefit. Prior to 1949 he was paid compensation for 100-percent service-connected disability. These payments were suspended in 1949 when his dependent mother died. At the present time the estate in the hands of the guardian is $46,523, all traceable to benefits paid through the Veterans' Administration. It appears that his sister is his nearest next of kin.

Two brothers, $85,000 estate: ———. This World War I veteran has been under guardianship since May 1920. He has been a patient in ——— State hospital since January 1923. As of July 1955 his total estate was $37,946.26 of which $31,746.26 is traceable to benefits paid by the Veterans' Administration. Current payments are being made of $181 a month for service-connected disabilities. He has no legal dependents. His next of kin is a brother, ——, also under guardianship, whose estate is over $48,000, 95 percent of which is traceable to funds paid by the Veterans' Administration.

———. This World War I veteran has been under guardianship since May 1920. His estate as of July 1955, totaled $48,752.83 of which $46,252.83 is traceable to funds paid by the Veterans' Administration. Current payments are being made of $181 a month for 100-percent service-connected disabilities and $57.50 a month for war-risk insurance. Veteran has no legal dependents and is living with a cousin of his deceased mother. His nearest next of kin is a brother, ———, also under guardianship, whose estate is over $37,000, 80 percent of which is traceable to funds paid by the Veterans' Administration.

———. This World War I veteran has been under guardianship since February 1926. He has been continuously confined in ——— State hospital, an institution for the insane, ——— since 1926. As of March 1955, his estate totaled $31,914, all traceable to benefits paid by the Veterans' Administration. $181 monthly payments for service-connected disabilities continue. Available records indicate he has no legal dependents and that his sister, who is also his guardian, is his nearest next of kin.

———. Veteran under guardianship since June 1922, presently drawing 100-percent service-connected disability compensation. He was in and out of Veterans' Administration hospitals between 1926 and 1948. Since 1948 he has been living with a paternal uncle in ——— who is his guardian. Present value of his estate is $28,390, all traceable to benefits paid by the Veterans' Administration. Nearest next of kin known to exist are aunts, uncles, and cousins.

———. The veteran died January 27, 1952. Settlement to death showed assets in the amount of $10,174.54. Surviving heirs: ———, brother; ———, sisters.

———. Veteran died February 18, 1954. Settlement to death showed assets in the amount of $44,892.05. Surviving heir: ———, brother.

———. Veteran died January 27, 1955. Settlement to death showed assets in the amount of $47,065.68. Surviving heirs: 3 sisters and 3 brothers and 1 nephew, all living in Greece.

———. Veteran died December 29, 1955. Settlement to death showed assets in the amount of $2,269.99. Surviving heir:———, brother.

———. Veteran died July 6, 1954. Settlement to death showed assets in the amount of $36,402.10. Surviving heirs: 2 sisters, both married; ———, brother.

———. Veteran died February 11, 1954. Settlement to death showed assets in the amount of $1,884.37. Surviving heir: ———, brother.

———. Veteran died July 28, 1955. Settlement to death showed assets in the amount of $16,108.68. Surviving heir: ———, brother.

Sister inherits $38,000: Case No. 1: This veteran is now deceased and his claims file is located in the ——— office. The now closed guardianship file is still in this office and the information recited below is from the guardianship file and from the personal recollection of the attorney who handled the case and who reviewed the claims file shortly before the veteran's death in January 1955.

The veteran was inducted into service in early 1918 after having been paroled from a ——— State mental institution. He was absent without leave for several months but was not tried by court-martial because he was found insane and was given a medical discharge on December 5, 1918. A few years later he was rated 100 percent disabled through service-connected disability. Because he was then hospitalized at a State hospital and later at a Veterans' Administration hospital, his guardian only received a nominal amount of compensation. The veteran remained hospitalized approximately from 1920 or 1922 to the date of his death in 1955.

As of August 15, 1950, his estate amounted to $12,766.48, practically all of which came from sources other than from the Veterans' Administration. Application was then made for reinstatement of the veteran war-risk insurance and for waiver of premiums on that insurance. Reinstatement and waiver of premiums was granted as was total disability insurance benefits, and the estate was paid in April 1951 the sum of $22,367.50, representing disability insurance benefits at the rate of $57.50 monthly from December 5, 1918. Thereafter, the estate received $57.50 monthly until the veteran's death in January 1955, at which time the estate now amounting to $38,981.31 was inherited by his sister. From February 1943 to his death, a total of $599.20 of the estate money was expended on the veteran personally.

Relatives uninterested: Case No. 2: This veteran served in World War I from April 6, 1917, to January 13, 1920. He was admitted to the Veterans' Administration hospital at ———, on March 7, 1921, where he has been continuously hospitalized since that time. A guardian qualified for the veteran's estate on February 13, 1922. Since the appointment of said guardian, there has been expended directly for the benefit of the veteran only about $2,000. The veteran's mother and father are both deceased and our records disclose that he had 4 brothers and 2 sisters, although there is an indication that these brothers and sisters are deceased. He is, however, survived by nieces and nephews who are eligible to take under the laws of descent and distribution of this State, which now amounts to $42,186.59, all of which came from the Veterans' Administration or interest on investments from VA funds. The veteran's estate has been paid disability insurance of $57.50 monthly since January 14, 1920, or a total payment of disability insurance of $24,150 as of January 14, 1956. In addition to the aforesaid disability insurance, the veteran received disability compensation at varying rates ranging from $20 monthly to $100 monthly from January 14, 1920, until September 30, 1930, at which time the disability compensation was suspended under the provisions of Public Law No. 2, 73d Congress, his dependent father having died. One of the attorneys of this center recalls a conversation with the guardian in this case wherein it was disclosed that the veteran has only nieces and nephews eligible to eventually inherit the estate and none of the relatives personally contacted by the guardian exhibited any interest in the veteran or any desire to personally visit him at the hospital in ———, even at the expense of the estate.

Case No. 3: This case is that of a veteran of the Philippine Insurrection receiving pension under special Congressional act in the amount of $24 monthly from Veterans' Administration, all of which funds are expended for his care and maintenance. The Veterans' Administration appointed a guardian in 1942 as the veteran was not hospitalized, prior to which time the veteran had been receiving pension payments direct since 1929. He is maintained in a private home for the aged and the estate consists entirely of private funds, including $2,500 yearly from private insurance. The estate is growing at the rate of $600 to $800 yearly. A brother is his closest relative. The estate is now $8,032.05.

Case No. 4: This World War I veteran died in 1954 with an estate of approximately $19,500. He was rated incompetent by the Veterans' Administration in 1929 and a guardian was appointed. The guardian received accrued compensation of $2,100 and monthly compensation payments of $70 from January 15, 1929, also Government insurance of $57.50 monthly. In 1932 the guardian received lump-sum payments of approximately $9,000 by reason of determination that the veteran was totally disabled for Government-insurance purposes from date of discharge March 18, 1919, and said payment represented the accrued amount due. The veteran was hospitalized off and on for short intervals by the Veterans' Administration, but was principally a nonhospital patient. His estate increased gradually through the years. All funds were received from the Veterans' Administration. The estate is presently in probate and it appears it will not escheat to the Government as a person claiming to be his sister has put in an appearance and according to the latest information, a person claiming to be a brother will intervene in the estate. The veteran was 100-percent disabled and service-connected.

Case No. 5: This World War II veteran was committed to Veterans' Administration hospital, ———, in 1949. He is 100-percent disabled and service connected and an institutional award of $181 monthly was being paid to the hospital manager until the estate exceeded $1,500 in a comparatively short time. The veteran inherited a considerable estate from his father which accounts for the appointment of a guardian in 1954. The veteran was on trial visit from December 9, 1954, to December 27, 1955, when he was discharged MHB and incompetent and compensation payments of $181 monthly to the guardian have been made since that date. One thousand four hundred and seventy-five dollars and fifty-five cents of the veteran's $27,385.25 estate is considered to have been derived from Veterans' Administration funds. He has a brother and/or sister.

Case No. 6: This World War I veteran has been hospitalized at the Veterans' Administration hospital, ———, for years. The portion of the estate considered as derived from the Veterans' Administration is $825 invested in United States savings bonds. This represents the proceeds of World War I adjusted service certificates. There is no evidence in the chief attorney's file that the veteran is entitled to compensation or pension. A guardian was appointed in 1946 to conserve veteran's private estate. The estate, which now totals $15,808.87, is growing at the rate of about $1,500 a year. The veteran's only known heir is a sister.

Twenty-nine thousand dollars to brothers and sisters: Case No. 7: This World War I veteran has been hospitalized at the Veterans' Administration hospital, ———, since May 6, 1922. The guardian was initially receiving Veterans' Administration compensation of $30 monthly and Government insurance of $56.45 monthly, an additional $20 compensation being paid monthly to the hospital manager by means of an institutional award. The veteran then had dependent parents who received an allowance of $75 monthly for both from veteran's estate.

The veteran had a private income of a few hundred dollars yearly from first mortgages and his estate in 1922 amounted to about $6,000. The veteran's father died in 1928 and allowance for the veteran's mother was reduced to $25 monthly, with the institutional award of $20 monthly continuing to the hospital manager, the balance of benefits being paid to the veteran's guardian. Through acquisition of real estate from mortgage foreclosures, the veteran acquired considerable interest from real estate and that, together with an increase of compensation of $100 monthly in 1929, resulted in a gradual increase of the veteran's estate, which had grown to $12,000 in 1933. In 1933 the veteran's compensation for service-connected disabilities was terminated and he was thereafter paid as a non-service-connected case. The veteran's mother died in 1939 when his estate amounted to about $15,000. Payments of compensation have since then been discontinued because his estate is over $1,500. The estate which is now $29,557.57 increases about $1,000 yearly because of the Government-insurance payments of $56.45 monthly and earnings on investments. The funds in the estate have never been segregated. It takes only about $200 a year for the veteran's needs. His heirs are brothers and sisters.

World War I veteran estate of $67,000: ———, an incompetent World War I veteran, served from April 4, 1918, to August 20, 1918, with the Armed Forces of the United States. Disability compensation for a service-connected disability has been paid in his behalf from August 21, 1918, to the present time with the exception of periods when he was hospitalized in a Veterans' Administration hospital. Also disability insurance payments were made in his behalf from August 21, 1918, to February 19, 1943, at the monthly rate of $57.50. His guardian, ———, appointed October 25, 1919, by the court of common pleas, ———, is receiving disability compensation at the monthly rate of $181 in his behalf. The guardian is paying from his estate allowances for his maintenance to his sister with whom he resides. His Veterans' Administration funds have accumulated, have been invested by the guardian, and at the present time his estate is in the amount of $67,385.91. The sister with whom he resides would be his heir under the ——— statutes provided she survives him. He also has a niece who is the daughter of this sister and also a second cousin living at the present time.

Ninety-three-thousand-dollar estate: ———, a World War I incompetent veteran who is now 66 years old, enlisted in the armed services on May 15, 1918, was honorably discharged December 19, 1918, and was awarded disability compensation benefits for a 100-percent service-connected disability commencing December 20, 1918. He was also awarded war-risk-insurance benefits at the monthly rate of $57.50 commencing December 20, 1918. The ——— was appointed guardian of his estate on April 10, 1920, by the court of common pleas, ———. On September 18, 1953, a successor guardian, the ———, was appointed by the same court and this guardian is in full force and effect at the present time. The veteran has been continuously hospitalized at Veterans' Administration hospitals. However, disability compensation was paid to the guardian even though the veteran's estate was in excess of $1,500 inasmuch as he had a dependent mother who was receiving an allowance from the guardian for her maintenance. Upon the death of the mother, payments of disability compensation were suspended as of December 31, 1946, since the veteran who was hospitalized in a Veterans' Administration hospital was single without dependents and his estate was in excess of $1,500. No further payments of disability compensation have been made to the guardian since that time. However, payments of disability-insurance benefits are not affected by the size of the estate and these insurance payments have been made continuously. The present value of the veteran's estate is $93,347.77. This amount is entirely made up of Veterans' Administration benefits and interest on investments over a period of years with the exception of $70 representing ——— State bonus. At present the veteran has 2 sisters and 3 brothers who will constitute his heirs under the laws of the State of ——— if they survive him.

Seventy-eight-thousand-dollar estate: ———, a World War I incompetent veteran who is hospitalized at the ——— State Hospital, ———, where he has been a patient for more than 30 years. His guardian, ———, receives disability compensation at the monthly rate of $181 and payments of disability insurance from the Veterans' Administration at the monthly rate of $57.50. He is not maintained at the expense of the Veterans' Administration, the cost of his care and maintenance at the ——— State Hospital being paid for by his guardian to the ———. His estate at present is valued at $78,065.78, made up entirely of Veterans' Administration benefits paid in his behalf since January 14, 1919, and interest on investments. He has a brother living at present who would be his heir under the laws of the State of ——— if he survives him. We have no knowledge of any other relatives.

Sixty-seven-thousand-dollar estate: ——— is an incompetent World War I veteran who has been hospitalized many times in Veterans' Administration hospitals since his discharge on February 7, 1919, but presently is not hospitalized. Payments of disability compensation in various amounts and payments of disability insurance at the monthly rate of $57.50 have been made in his behalf since the date of his discharge. At the present time his guardian, The ———, ——— is receiving the sum of $181 disability compensation for a 100-percent service-connected disability and the monthly disability-insurance payment of $57.50. The guardian is paying funds from his estate for his maintenance at the home of his brother. The present value of the veteran's estate is $67,571.22. He has two brothers at the present time who would be his heirs under the laws of the State of ——— provided they survive him.

——— is an incompetent World War I veteran in whose behalf 100-percent disability compensation has been paid since May 4, 1918, following his discharge from service. This veteran has at all times since his discharge been hospitalized at a Government hospital but payments were continued in his behalf as he had a dependent mother. However, upon the death of his mother, payments were suspended as of April 8, 1939, inasmuch as his estate was in excess of $1,500. The veteran's guardian, The ———, is receiving payments of disability insurance in the amount of $57.06 monthly. These payments have been in effect since May 4, 1919, and are continuing as they are not subject to suspension due to the size of the estate. In addition to these payments, the guardian also received the proceeds from the veteran's adjusted service certificate in the amount of $1,565. The present value of the veteran's estate is $55,923.09. He has a sister who would be his heir under the laws of the State of ——— provided she survives him. We have no record of any other relatives.

———, a World War I incompetent veteran, has been rated 100-percent disabled since October 3, 1918, and disability compensation was paid on his behalf in various monthly amounts from that date until December 30, 1952, at which time payments were suspended as he was single without dependents and hospitalized at a Veterans' Administration hospital where he still remains a patient. The veteran's guardian, ———, has also received disability insurance payments from the Veterans' Administration at the monthly rate of $57.50 commencing October 3, 1918, and these payments are continuing at the present time. The value of the veteran's estate is now $61,335.90, which is made up of Veterans' Administration benefits, with the exception of $2,089.69 which was his share of his deceased mother's estate. At present the veteran has a living sister who would be his heir under the ——— statutes provided she survives him. He also has a maternal aunt in whose home he resided for a number of years prior to his present hospitalization.

———, a Spanish-American War incompetent veteran for whose estate his mother was appointed guardian on December 4, 1922. Upon her death, a nephew of the veteran was appointed to serve as guardian of his estate, and upon his death ——— was appointed guardian of the estate and is still serving in that capacity. Payments of pension have been made to the guardian in various monthly amounts on behalf of the veteran since 1922 and at present his estate is in the amount of $4,837.70. The veteran is and has been since 1922 hospitalized at the ——— State Hospital, ———. His guardian is paying the Commonwealth of Pennsylvania for the cost of his care and maintenance at the ——— State Hospital. The only living relative of the veteran as shown from our records is a nephew.

One-hundred-percent disabled since World War I: ———, an incompetent World War I veteran, was discharged from the service July 31, 1919, and has been rated 100-percent disabled due to a service-connected disability commencing August 1, 1919. Disability compensation was paid in his behalf at various monthly rates until September 30, 1944, at which time payments were suspended as he had no dependents, his estate was in excess of $1,500 and he was hospitalized at a Veterans' Administration hospital. Prior to this time, he had a dependent mother and payments were continued despite the fact that he was hospitalized at the expense of the Veterans' Administration continuously. His guardian, ———, receives payments of disability insurance from the Veterans' Administration in the amount of $57.50 monthly. These payments have been made on behalf of the veteran since August 1, 1919, and are continuing as the size of the veteran's estate has no effect on such payments. At the present time, the veteran's estate is in the amount of $52,784.11, composed entirely of Veterans' Administration benefits including the sum of $894 proceeds from his adjusted service certificate and interest on investments. The veteran has a brother living at the present time who would be his heir under the laws of the State of ——— provided he survives him. The veteran has recently been transferred to a Veterans' Administration hospital in ——— to be near his brother who resides in ———.

Niece eligible for $49,000: ———, a World War I incompetent veteran, has been rated 100-percent disabled since September 16, 1919, and disability compensation has been paid in his behalf in various amounts from that date until the present time. The veteran's guardian, ———, is presently receiving disability compensation for the veteran at the monthly rate of $181. Disability insurance payments have also been made on behalf of this veteran at the monthly rate of $57.50 from September 16, 1919, and are continuing at present. This veteran is not hospitalized at present nor is there any evidence of record to indicate that he has ever been hospitalized. The guardian is paying from the veteran's estate sufficient funds for his support and maintenance at the home of a friend. The estate is now valued at $49,368.40 which is made up completely of Veterans' Administration benefits and the interest from investments with the exception of the sum of $120 which was paid in his behalf as a ——— State bonus. The nearest relative of the veteran at present is a niece

who would be his heir under the ——— statutes provided she survives him. We have no knowledge of any other relatives.

———, an incompetent World War I veteran, has been rated 100-percent disabled by reason of a service-connected disability from April 3, 1923. Disability compensation has been paid on his behalf in various monthly amounts from that date. His guardian, the ———, is presently receiving disability compensation at the monthly rate of $181. The guardian has also been receiving payments of disability insurance from the Veterans' Administration in the amount of $55.85 from April 3, 1923, until the present time. The veteran has not been hospitalized since December 22, 1941, and he has resided for many years with his cousin who receives funds from the guardian for his support and maintenance. His estate at present is valued at $28,535.14. The cousin with whom he resides would be his heir under the ——— statutes provided she survives him. We have no knowledge of any other relatives.

Aunt and 13 first cousins: ———. A World War I incompetent veteran who was hospitalized in Veterans' Administration hospitals from September 18, 1922, until the time of his death on March 21, 1950. The court of common pleas, ——— appointed ———, his brother, guardian of his estate on March 3, 1924. Payments of disability compensation for a 100-percent service-connected disability were made to this guardian until July 1930, at which time they were suspended. The estate at the time of suspension was in the amount of $4,384.54 and the veteran was determined to be single without dependents and hospitalized at the expense of the Veterans' Administration. In addition to the disability compensation, the veteran's guardian was receiving the sum of $650 from the Veterans' Administration representing the proceeds from his adjusted service certificate. His guardian brother died in 1937 and the court of common pleas, ———, appointed the ——— Bank, ———, as successor guardian on May 24, 1937. This guardianship was still in full force and effect at the time of the veteran's death. All funds not required for the veteran's incidental needs were conserved and invested by the guardian. At the time of death the estate of the veteran was valued at $5,585.01. The funds in his estate were distributed by the court-appointed administrator to his aunt and 13 first cousins who were his heirs at law in accordance with the ——— State statutes.

———. A World War I incompetent veteran rated 100 percent disabled due to a service-connected disability and entitled to disability compensation under the provisions of Public Law No. 2, part I, 73d Congress. His father, ———, was appointed guardian of his estate on August 24, 1920, by the court of common pleas, ———. The father subsequently died and the same court appointed the ———, as successor guardian on April 30, 1938. This guardianship was in full force and effect at the time of the veteran's death on June 1, 1949. Except for a short period of hospitalization immediately preceding his death, when he was hospitalized at a Veterans' Administration hospital, the veteran was at all times since 1919 hospitalized at private mental institutions, his maintenance costs being paid to the institutions by the guardian from his estate. The guardian received disability compensation at various amounts monthly from 1920 until the day of his death at which time these payments were at the rate of $138 monthly. The guardian also received payments of disability insurance from the Veterans' Administration at the monthly rate of $57.27 from March 5, 1920, until the date of his death and the proceeds of his adjusted service certificate in the amount of $1,329. Funds not required for the maintenance of the veteran were conserved and invested by the guardian. At the time of death, the estate of the veteran was in the amount of $37,137.25. The funds in his estate were distributed by the administrator to an aunt and an uncle, his heirs at law, in accordance with the ——— statutes.

Two aunts, 2 uncles, 15 first cousins in Italy: ———, a World War I incompetent veteran who was committed on May 1, 1922, to the ——— State Hospital for the criminal insane. He remained at that institution until his death on July 14, 1952. On March 11, 1924, the court of common pleas, ——— appointed Reverend ——— guardian of his estate. This guardian died in 1943 and the same court appointed the ——— Bank, ——— as successor guardian on March 16, 1943. This guardianship was in full force and effect at the time of the veteran's death. The guardian received disability compensation 100-percent-service-connected disability in various monthly amounts and at the time of death payments were at the monthly rate of $167.50, which included an additional allowance for a dependent mother who resided in Italy. The guardian forwarded to the veteran's dependent mother a quarterly allowance for her maintenance. The guardian also was paying the ——— for the cost of the veteran's care and maintenance at ——— State Hospital and also forwarding to the superintendent of the hospital funds for the veteran's incidental needs. The balance of the disability compensation benefits together with the proceeds of the veteran's adjusted service certificate in the amount of $1,385 was conserved and invested by the guardian. At the time of the veteran's death, his estate was in the amount of $23,531.12. The court appointed administrator made distribution to the heirs at law under the statutes of the State of ———. The veteran's mother predeceased him, her death having occurred on July 9, 1952, while he died on July 14, 1952. His heirs were 2 aunts, 2 uncles and 15 first cousins all residing in Italy and these are the persons to whom distribution was made by the administrator.

The following cases have been selected to show the pattern, where incompetent veterans are hospitalized at ——— State Hospital for the criminal insane. We supervise 120 cases in this category where the majority of veterans are entitled to 100-percent service-connected compensation and where $151 monthly is currently being deposited each month in personal funds of patients. There are many cases where there is $10,000 or more to the credit of a veteran in personal funds of patients and these funds are accumulating every month. Most of the men remain in ——— State Hospital for many years. With few exceptions veterans hospitalized in other State hospitals are entitled to receive only non-service-connected pension and funds do not accumulate rapidly. Also for the most part, veterans in other State hospitals do not remain there for many years as the veterans do at ——— State Hospital.

———, a World War II incompetent veteran, was committed to ——— State Hospital on February 8, 1950. Disability compensation for a 100-percent service-connected disability has been paid in his behalf since this date and presently the monthly rate of compensation is $181. The sum of $30 monthly is being paid to the hospital superintendent for the veterans' incidental needs and the balance is being deposited in personal funds of patients. At present there is on deposit to his credit the sum of $11,908.11, and the sum of $151 is continuing to be deposited each month to his credit. He has a father and mother living at present, each over the age of 70 years. The parents have not been determined to be dependent. They would be his heirs under the laws of the State of ——— provided they survive him. We have no record of any other relatives.

World War II estate of $18,000: ———, a World War II incompetent veteran, was committed to ——— State Hospital on January 17, 1948, where he has remained until the present time. Disability compensation for a service-connected disability has been paid in his behalf since that time, and presently the rate of compensation is $181 monthly. Until July 31, 1952, the sum of $30 monthly was awarded the hospital superintendent for the veteran's incidental needs and the balance was deposited in personal funds of patients. Payments to the superintendent were suspended as of July 31, 1952, as there were sufficient funds in his account at the hospital for his incidental needs. Since August 1, 1952, the full amount of the disability compensation has been deposited each month in personal funds of patients. There is at the present time the sum of $18,737.71 to the credit of the veteran in personal funds of patients and these funds are accumulating at the rate of $181 monthly. The veteran's mother is living, but has not been determined to be dependent. She would be his heir under ——— laws if she survives him. The only other known relative is an uncle.

———, a peacetime incompetent veteran was committed on, May 2, 1940, to ——— State Hospital for the criminal insane, where he remains a patient to the present time. He is rated 100 percent disabled for a service-connected disability and presently is entitled to the sum of $145 monthly. The sum of $30 monthly is being paid to the superintendent, ——— State Hospital for the veteran's incidental needs and the balance of $115 is being deposited in personal funds of patients. At present there is on deposit in his account the sum of $11,974.55. The veteran's father is living and would be his heir under ——— statutes if he survives him. He also has a brother and sister living at present. The father of the veteran has not been held to be a dependent parent.

———, World War II incompetent veteran has been committed to ——— State Hospital for the criminal insane. He is entitled to disability compensation for a 100-percent disability at the monthly rate of $181. The sum of $30 monthly is paid to the superintendent, ——— State Hospital for his incidental needs and the balance of his benefits are deposited to his credit in personal funds of patients. At present there is the sum of $12,377.80 in his account. He has a brother and a sister who would be his heirs provided they survive him.

———. This incompetent veteran who served during a period other than a war period is 54 years old and has been committed to ——— State Hospital for the criminal insane. He is rated 100 percent disabled for a service-connected disability and presently is entitled to benefits at the monthly rate of $145. The sum of $30 monthly is being paid to the hospital superintendent and the balance is being deposited in personal funds of patients. At the present time there is on deposit in personal funds of patients to the credit of this veteran the sum of $10,719.43. The veteran is unmarried, without dependents, but has a brother and a sister who would be his heirs provided they survive him.

EXHIBIT A

Incompetent veterans alive

Name	Assets	Next of kin
1	$25,385	Brothers and sister.
2	87,433	Do.
3	42,800	Do.
4	45,251	Mother, 84 years.
5	52,306	(?).
6	16,124	Brother and sister.
7	35,374	Brother.
8	32,330	Sisters.
9	16,016	Brother.
10	13,076	Do.
11	33,032	Brother and sister.
12	26,580	Sister.

EXHIBIT B

Incompetent veterans deceased

Name	Veteran died	Assets	Surviving next of kin
1	May 30, 1955	$6,926	Brother.
2	Nov. 1, 1955	6,398	Sisters.
3	Apr. 4, 1955	2,800	Sister.
4	Oct. 25, 1955	8,000	Brother and sisters.
5	Jan. 7, 1954	3,936	Niece and nephew.
6	June 8, 1954	4,631	Sister.
7	Sept. 26, 1955	10,556	Brothers.
8	Dec. 11, 1954	3,301	Do.
9	Nov. 17, 1953	6,744	Sister.
10	May 6, 1954	3,177	Brothers and sisters.
11	Mar. 18, 1955	2,185	Do.
12	Oct. 18, 1955	6,338	Do.
13	June 2, 1951	30,400	Brother.
14	Nov. 25, 1954	2,134	Sister.
15	Nov. 1, 1955	3,729	Do.
16	Jan. 11, 1956	4,314	Nephews and niece.
17	Nov. 19, 1955	2,784	Sister.
18	Dec. 12, 1955	2,737	Do.
19	Feb. 7, 1955	3,133	Brother.
20	Oct. 22, 1954	8,089	Nieces and nephews.
21	May 7, 1955	59,441	Sisters and brothers.

———. The final account of the committee was judicially settled ——— by the Supreme Court of the State ———, which directed that the balance of the estate, $4,272.27, be turned over to the public administrator of ——— County. On ——— the United States attorney for the ——— advised that he had filed a claim for the escheat of the fund which was derived from World War I part III pension, pursuant to title 38, United States Code, section 450 (3). The veteran died intestate and without heirs.

The State ———, through its attorney general, filed a claim for past hospitalization, totaling $4,520, which was rejected by the public administrator on the ground that it had previously filed a claim in the Supreme Court of the State of ——— in connection with the judicial settlement of the committee's final account, and that said claim had been granted. Rejection was also based on the further ground that the fund was exempt from the claims of creditors arising prior to the appointment of the fiduciary. Since the latter ground did not appear to be valid and the first reason subject to dispute, and in view of the sovereign nature of the claimant, a compromise was arrived at between the attorney general of the State ——— and the United States attorney ——— whereby the State ——— would receive 65 percent of the fund outright in payment of the hospitalization claim, and whereby the remaining 35 percent of the fund would be paid into the treasury of the city ——— pursuant to ——— State Surrogate Court Act, ———. This deposit was to be made subject to a reclaim by the United States upon the decision of the appeals which are now pending in the Hammond and Segal matters referred to in this report.

The effect of the deposit under ——— of the Surrogate's Court Act is to cause funds so deposited to be placed in the abandoned property fund of the State ——— after the expiration of 20 years if not claimed within that time by kin.

——— died June 20, 1953, at ——— State Hospital without kin and intestate.

The final account of the committee was judicially settled ——— by the Supreme Court of the State of ———, which directed that the balance of the estate, $18,190.71, be turned over to the public administrator of ——— County. Payments had been made to this World War I veteran's committee for the 100 percent service-connected disability of the veteran from ——— although the veteran had no dependents of record but was committed as criminally insane to the hospital above named on July 18, 1923, by the court of general sessions (a criminal court in the city of ———). At the time of resumption of payments, the veteran's estate was in excess of $9,000 resulting from payments made by the Veterans' Administration for the same purpose prior to August 31, 1934.

———. This World War I veteran entitled to part III benefits died intestate and without kin.

The final account of the committee was judicially settled by the Supreme Court of the State of ———, which directed that the balance of the estate, $1,842.20, be turned over to ———, county treasurer of ———, as administrator. The administrator was appointed by the surrogate of ——— County, ———. Claim for the proceeds was made by the United States attorney for ———.

The attorney general of the State of ——— also claimed the property under section 272 of the Surrogate's Court Act of ———. This section requires that unclaimed property of unknown persons be paid through the comptroller of the State of ———.

Surrogate ——— County held, in an opinion ———, that there is no escheat in the State of ———.

The effect is that after 20 years the comptroller of the State of ———, pursuant to section 600 of the abandoned property law of the State of ———, will pay the balance of the estate to the abandoned property fund. This decision was appealed to the appellate division of the Supreme Court of the ———, by the United States attorney for the ———. The record has been printed and the brief prepared and the United States attorney is now awaiting reply briefs.

WORLD WAR I INSURANCE AND DEPENDENTS CAUSE LARGE ESTATES

Our chief attorney advises that his statistical records do not break down the cases of deceased veterans to show estates going to collateral relatives but that he knows of two such cases, ——— and ———. In the ——— case, 8 sisters and brothers and 6 nieces and nephews, the latter being the descendants of a deceased brother and sister of the veteran inherited an estate consisting of $504.16 in cash and $1,800 in United States Government bonds. In the case of ———, an estate consisting of $2,652.53 was inherited by 3 brothers and sisters and 19 nieces and nephews, the latter descendants of deceased brothers and sisters of the veteran.

Our chief attorney feels that there may have been other such cases but since cases are closed out and placed in an inactive file to await destruction at the end of 5 years, with no supervision over these inactive files, he is unable to locate any more cases in this category.

An analysis has been made of the 31 cases at this center of veterans who are single and have no dependents and whose estates are in excess of $10,000. It is felt that the results of this analysis may be of interest.

Of these 31 cases, 28 are World War I veterans and 3 are World War II veterans. Two of the three World War II veterans are not hospitalized. One of these and the one who is hospitalized have both received the major portion of their estates from inheritances.

In 12 of the 31 cases, compensation payments were stopped prior to the passage of Public Law 662, 73d Congress, and in 7 cases, payments were stopped after passage of that law. The remaining 12 veterans receive full compensation—11 are not hospitalized and 1 is in a State hospital. Seventeen of the twenty-eight World War I cases are receiving payments of World War I insurance benefits.

In our experience, there are two factors which have caused the accumulation of large estates for hospitalized veterans—(1) World War I insurance payments, (2) the existence of a dependent. In some cases both factors have contributed.

The nonhospitalized veterans also fall into two classes. There are those who accumulated sizable estates while hospitalized and when released needed only the current VA payments for maintenance. The corpus of these estates increases each year by reason of interest and return on investments. The remainder are accumulating large estates because either their standard of living, or the protected environment in which they live, does not require the use of the entire monthly payment for support and maintenance.

It might be of interest to point out that other large estates are being built up in cases of veterans hospitalized by the VA who have no wife, but have a dependent parent or parents, or a dependent child. In these cases, the veteran needs only a small portion of the monthly VA payment for his personal needs. An adequate amount is provided for the dependents and the balance accumulates either in the hands of a guardian or in the patients' account at a VA hospital in institutional award cases.

Twenty-eight-thousand-dollar estate: ———. This veteran has been continuously hospitalized at Veterans' Administration hospital, ———, for a service-connected disability since 1919. Due to the dependency of his mother being established August 31, 1919, his guardian has been in receipt of 100-percent disability payments. At the time of his mother's death, October 15, 1955, his estate made up wholly of compensation and war-risk insurance payments was $28,208.67. There are relatives who will inherit upon decease of the veteran.

———. The veteran has been continuously hospitalized at Veterans' Administration hospital, ———, for service-connected disability since 1924. At the time his mother was adjudicated a dependent in 1930, his estate consisted of $506.50 in cash, and a home purchased for his mother from Veterans' Administration assets, costing $6,000. At the time of his mother's death, December 30, 1954, his estate composed entirely from compensation and war-risk insurance payments was valued at approximately $29,200. There are relatives living.

———. Veteran continuously hospitalized Veterans' Administration hospital, ———, for service-connected disability, since April 11, 1921. The dependency of both parents, residing in Poland, was established in 1921. In 1941, his compensation award was suspended because it was no longer possible to ascertain whether or not his parents in Poland were still alive. At that time his estate, wholly derived from Veterans' Administration payments, was $11,429.71. In 1949, his mother arrived in Vancouver, British Columbia, Canada, and on September 22, 1949, was again adjudged a dependent. The veteran's award resumed effective August 30, 1949, and continued to December 14, 1955, day of his mother's death. His estate was $21,023.98. There are relatives living.

———. The veteran has been continuously hospitalized at Veterans' Administration hospital, ———, since 1934 for a nonservice-connected disability. At the time his father's dependency was established in 1939 his estate was $1,771.65. At the time of his father's death, April 30, 1955, his estate was $4,245.78. There are relatives living.

———. Veteran continuously hospitalized at Veterans' Administration hospital, ———, for service-connected disability since 1944. On March 8, 1945, father was adjudged a dependent. When he died May 12, 1954, the estate, made up entirely of compensation awarded by virtue of the dependency, was $13,833.75. There are relatives living.

———. Veteran continuously hospitalized at Veterans' Administration hospital, ———, for service-connected disability since June 30, 1945. Based upon the establishment of his mother's dependency in November 1947, his estate increased from $1,500 in 1947 to $10,053.53 at the time of his mother's death in May 1954. Other relatives living.

———. Veteran continuously hospitalized at Veterans' Administration hospital, ———, for service-connected disability since 1943. Mother's dependency established 1943. When she died in January 1956 his estate

was $10,270.86, made up wholly on the basis of dependency. Relatives are living.

Brother receives $41,000: ———. The veteran has been continuously hospitalized in a State hospital with brief sojourns in sanitariums since 1925. He was awarded 100 percent service-connected disability. Upon his death in July 1954 his estate of $41,033.33 comprised wholly of Veterans' Administration benefits, passed to his brother.

———. The veteran was continuously hospitalized at Veterans' Administration hospital, ———, from October 1949 to his death, January 13, 1956. Due to the dependency of his mother being established in 1949, his estate, consisting entirely of Veterans' Administration compensation, was $7,286.98 at the time of death. There are relatives living.

———. The veteran shot and killed his wife and shot himself in the head in 1923. He was committed to ——— State Hospital for the Criminally Insane. As a result of shooting himself he became totally blind. Under the law he was awarded service-connected disability compensation. Additionally his mother was adjudged a dependent which further increased the award, until her death, April 18, 1948. Payments by the guardian to the State ——— stopped in 1946, when an ——— law was amended prohibiting collecting support money for an insane patient still under indictment. At the present time the Veterans' Administration is paying $3,615 a year compensation on behalf of the veteran. Of this amount, $150 per year is required for his incidental needs and desires. His estate, composed entirely of Veterans' Administration compensation payments, was $32,515.79 as of January 17, 1956. There is at least one relative, a brother, living.

———. World War I veteran died May 30, 1951, at the Veterans' Administration Hospital, ———. The estate was $30,040.74, of which $29,466.33 was derived from the Veterans' Administration. The heirs were a brother, a sister, nieces, and nephews.

———. Spanish-American War veteran died October 3, 1953, at the ——— State Hospital, ———. The estate was $12,789.45, of which $11,462.66 was derived from the Veterans' Administration. The heirs were brothers.

———. World War I veteran died September 9, 1955, at the Veterans' Administration Hospital, ———. The estate was $1,322.71, all of which was from funds paid by the Veterans' Administration. The only heirs were a nephew and a half-brother.

———. Veteran died at Veterans' Administration Hospital, ———. Estate of $9,127.10. One brother survived.

———. $1,733.25 inherited by sister.

———. $2,707.78, 3 sisters and 1 brother survived. Veteran lived with stranger; not related to family.

———. Estate of $2,305.35 inherited by brothers and sisters.

———. Estate of $1,069.59. Veteran left a brother to inherit.

———. Estate in excess of $1,000. One brother survived.

———. Estate of $1,980.61, inherited by 2 sisters, 5 nieces, and 1 nephew.

———. Estate of $2,008.88. Two sisters survived.

———. Estate of $5,517.09, inherited by 3 nephews and 2 nieces.

———. Estate of $6,921.81, of which $4,615.93 was derived from the Veterans' Administration. Two brothers survived.

———. Estate of $1,858.36 ($1,279.03 Veterans' Administration funds) inherited by 3 brothers and 2 sisters.

Distant relative to receive $30,000: ———. Estate of $30,917.68, representing Veterans' Administration benefits obtained under Post Fund Statute (38 U. S. C. A. 17). Will go to distant relative if claimed within the statutory period.

———. Estate of $1,301.89 obtained under Post Fund Statute (38 U. S. C. A. 17), subject to claim by relative within statutory period.

———. Died September 18, 1953, at Veterans' Administration Hospital, leaving an estate of $10,132.69, which was inherited by 2 nephews and 2 nieces living in ———. The veteran was hospitalized at Veterans' Administration hospitals for approximately 30 years.

———. Died October 18, 1953, at ——— State Hospital, ———, leaving an estate of $4,494.98 (all derived from Veterans' Administration) which was inherited by 1 nephew and 3 nieces living in California.

———. Died September 19, 1955, at ——— State Hospital, ———, leaving a conservatorship estate of $4,037.92 (all Veterans' Administration funds) which was inherited by a niece living in Illinois.

(a) ———, a veteran of World War I, died August 15, 1955, survived only by brothers and sisters. This veteran had been a patient at the Veterans' Administration hospital, ———, for many years and until the death of his mother on January 12, 1950, compensation for 100 percent service-connected disability had been paid to his mother as guardian and later to a sister who served as his guardian. The veteran's needs were satisfied with small sums sent to the hospital from time to time for his personal requirements. His mother too lived very modestly so that her allowance from the veteran's funds never exceeded $900 in any year and the first account filed after her death showed accumulated assets in cash and United States savings bonds of $17,251.37. Subsequent expenditures for the veteran's needs and the small expenses connected with guardianship have reduced this sum to $17,012.63. Presumably the veteran's brothers and sisters take equal parts of this estate since we do not believe the veteran left a will.

(b) ———, a World War I veteran, died on April 29, 1955. This veteran spent the last years of his life in a Veterans' Administration domiciliary home during which time his compensation payments were stopped. He had, however, been entitled to compensation for 100 percent service-connected disability when not maintained by this Administration and payments of $11.50 per month from his United States Government life insurance. He was always able to live very adequately on very little money. Consequently, at his death he left an estate of $6,021.94. A letter from the attorney who served as his guardian, received after the veteran's death, advises that he had made a will some years before in which he provided for the perpetual care of his cemetery lot, for a small legacy to his stepchildren, and for the residue of his estate to go to his sister and two brothers.

(c) Brother and half brother inherit: ———, a World War I veteran under guardianship, died June 26, 1951. Subsequent to his military service he was hospitalized by the Veterans' Administration at various places and intervals until May 16, 1941, when he was released finally and took up his residence in ———. This veteran was entitled to compensation for 100-percent service-connected disability and United States Government life insurance payments of $57.50 monthly. Since this income proved more than sufficient for his needs, he left an estate composed of cash and personal assets valued at $25,025.51. The veteran was survived by a brother and a half brother to whom this estate presumably was distributed.

(d) ———, a World War I veteran, died at the hospital, this Veterans' Administration Center, on October 19, 1955, having survived his wife by approximately 2 years. For many years after his military service this veteran, while hospitalized by the Veterans' Administration, was entitled to compensation based on 100-percent service-connected disability and monthly payments of $57.50 from his United States Government life insurance. These payments were made to his guardian. Since the veteran's wife, during her lifetime, had a small income of her own, her allowances from his funds were modest and, by virtue of careful administration, the estate at the time of last accounting amounted to $33,562.13. The record indicates that the veteran was survived by two sisters who presumably will inherit.

1. In a recent case a veteran was adjudged incompetent on March 4, 1930, and was under guardianship continuously until his death at a Veterans' Administration hospital on December 22, 1955. His estate of $11,934, of which $9,277 was derived from disability compensation, will be distributed among 5 brothers and 2 sisters.

2. Forty-seven-thousand-dollar estate, no heirs: In 1955, the United States attorney for the eastern district of ——— completed a case in which over $47,000 escheated to the United States. This estate was accumulated from benefits paid by the Veterans' Administration to the guardian of the veteran. The veteran who was hospitalized in a Veterans' Administration facility for many years died while a patient and left no heirs.

Veteran B served in World War I, having enlisted on June 17, 1917, and discharged July 8, 1918. At the time of his discharge he was shown by the Army to have a service-connected mental disability. Claim with the Veterans' Administration was not filed for him until 1930, at which time he was awarded 100-percent service-connected compensation. His sister qualified as guardian in the county court of ———. The veteran was a patient in several Veterans' Administration hospitals for various lengths of time from 1930 until the date of his death in the latter part of 1954. After his death, the guardian filed her final account which reflected cash and bonds of the value of $27,391.85. The veteran was survived by neither a wife, child, nor dependent parent, and the accumulated estate passed under the laws of descent and distribution of the State of ———, to his surviving brothers and sisters and their heirs.

Veteran H served in World War I and as of January 4, 1933, was granted a statutory tuberculosis award in the amount of $60 per month. At the time of the granting of the original award, his mother was held to be a dependent parent. In 1937, the veteran became insane and was committed to the Veterans' Administration hospital, ———. A legal guardian was appointed for the veteran's estate and such guardianship continued until the date of his death on April 30, 1955. The dependent mother of the veteran predeceased him, having died on April 20, 1950. Due to the death of the dependent parent and the fact that the veteran was hospitalized in a Veterans' Administration hospital, the payments were discontinued to the guardian as of date of death of the dependent mother. After the death of the veteran on April 30, 1955, the guardian filed his final account which reflected an estate of $4,825. These funds under an administration proceeding on the estate of the deceased veteran, passed to his heirs-at-law, which consisted only of first and second cousins.

Veteran W served from May 18, 1920, to January 13, 1921. Shortly after his discharge he filed a claim with the Veterans' Administration and was granted compensation due to mental disability incurred in service. The veteran became a patient in the Veterans' Administration hospital, ———, in 1925, and remained in a Veterans' Administration hospital until the date of his death on November 12, 1954. In 1934, a guardian for the veteran's estate was appointed in the county court of ———. At the time of the veteran's death, the guardian filed a final account in such estate requesting a distribution of the assets to the heirs-at-law.

The final account showed an estate of approximately $2,553, which funds were distributed to the brothers and sisters of the veteran and to the children of two deceased brothers and sisters.

(1) Closed cases in which veteran died and had no wife, child, or parent:

(a) This veteran died leaving an estate of $19,677.39.

(b) This veteran died leaving an estate of $2,119.77.

(c) This veteran died leaving an estate of $7,408.35.

(d) This veteran died leaving an estate of $5,201.18.

(e) This veteran died leaving an estate of $6,139.03.

(f) This veteran died leaving an estate of $2,200.

(g) This veteran died leaving an estate of $7,000.

(h) This veteran died leaving an estate of $2,600.

(2) Active cases in which veterans have no wife, child, or parents:

(a) This veteran is hospitalized, and his present estate consists of $23,560. His compensation payments have been suspended since June 7, 1938, but he is drawing a disability insurance payment in the sum of $17.25 per month.

(b) This veteran is hospitalized. His compensation was terminated on July 31, 1951. His present estate consists of $1,676.62.

(c) This veteran has been hospitalized from time to time. He is not hospitalized at the present time, and his present estate is valued at $3,183.54.

(d) This veteran is hospitalized. Payments have been suspended since February 8, 1933. His present estate is $5,754.60.

(e) This veteran was hospitalized from May 1948 to June 1955, when payments were resumed. His present estate is $3,368.11.

(f) This veteran is hospitalized, and his present estate is $4,486.66.

(g) This veteran is hospitalized, and his payments were suspended July 30, 1950. His present estate is $3,982.99.

(h) This veteran is hospitalized, and his present estate is $3,991.29.

(i) This veteran is hospitalized, and his present estate is $7,323.98.

(j) This veteran is hospitalized, and his estate is $3,300.33.

(k) This veteran is not hospitalized. His present estate is $4,743.14.

(l) This veteran is not hospitalized. His present estate is $11,067.16.

(m) This veteran is hospitalized in the United States Public Health Service hospital, ———. He is receiving 50 percent of the officers' retirement pay and $57.50 disability insurance payments each month. His present estate is $26,697.54.

(n) This veteran is hospitalized, and compensation payments have been in suspense since June 30, 1933. He is receiving disability insurance payments at the rate of $5.75 each month. His estate is $6,552.06.

(o) This veteran has been hospitalized continuously, and payments were suspended on December 19, 1932. The total assets of his estate at the present time are $20,002; however, the VA assets only consist of $8,384.60.

(p) This veteran has been hospitalized since 1929. He had a dependent mother who died in 1944, when payments were stopped. His present estate is $10,174.68.

(q) This veteran has been hospitalized since 1926. Payments for compensation were suspended when the estate reached $1,500, but in 1934, dependency of both parents was established and payments reopened. The surviving parent died in December 1947, when the estate, at that time had accumulated $21,266.75, at which time payments were again suspended. The veteran is still hospitalized and the estate is now $22,600 due to the return on investments.

(r) This veteran is not hospitalized. He has been under guardianship since 1926. At the present time he is receiving $181 per month. His guardian invested the money in real estate which is conservatively valued at $28,000 and his estate at the present time is valued at approximately $40,000 and is increasing each year as he does not use all of his income.

(s) This veteran is hospitalized. Parents established dependency. By August 1953, both parents died. His present estate is $12,754.

(t) This veteran was hospitalized in 1921. His father established dependency until 1939, when he died. Compensation was discontinued at that time but the disability insurance payments, amounting to $28.75 per month, are continuing. His estate is $17,346.15.

(u) This veteran was in the hospital most of the time from 1921 until 1945. His present monthly disability compensation is $181 and $57.50 disability insurance payment. The veteran has real estate valued at approximately $5,000. His present estate is $20,000.

PARENTS ONLY

(3) Active cases in which veterans have no wife or child but only have aged parent as dependent:

(a) This veteran has been hospitalized since 1932. He has a dependent mother who, at the present time, is 80 years of age. He is service-connected and due to the dependency has been receiving $198.50 per month for disability compensation and $57.50 in insurance benefits, totaling $256 per month. His present estate is $60,905.45.

(b) This veteran has been continuously hospitalized with the exception of occasional trial visits since November 1948. Both parents established dependency, but the father has since died. At the present time his compensation is $198.50. His mother is 56 years of age. His present estate is $10,000.

During the last 2 years 6 guardianship cases of incompetent veterans were terminated by reason of death. In five of these cases, the veterans were survived by either wife, child, or parent, who inherited the residuary estates totaling $11,781.35. In the remaining case, the veteran was survived by seven brothers and sisters who inherited the veteran's estate amounting to $1,879.98.

Estates of certain incompetent veterans under guardianship having no wife, child, or dependent parent:

Sixty-one-thousand-dollar estate to Rumanian relatives: Veteran ——— left an estate of $61,391.53, and brothers and sisters living in Rumania are the sole heirs under ——— intestacy laws.

Entire estate of this veteran was derived from VA benefits, and the United States attorney, with the assistance of the chief attorney, Veterans' Administration, instituted action in the Orphan's Court of ——— for escheat of the estate to the United States under the provisions of title 38, United States Code Annotated, sections, (3), (5). Claim for escheat is based on the fact that the relatives living in Rumania cannot submit satisfactory evidence of their relationship to the deceased, or proof that they will derive full benefit from estate distributed to them, in view of uncertain conditions in Iron Curtain countries and since the State Department has held that it cannot certify as to the correctness of documentary evidence submitted by citizens of such countries living therein. Extensive court hearings were completed on January 26, 1956, and decision of the court will be rendered in the near future.

Veteran ——— died intestate in VA hospital, ———, on July 4, 1955, and left an estate of $30,812 derived from VA benefits. Brothers and sisters of the veteran are heirs under laws of ——— and estate will be distributed to them by order of Orphans' Court of ———.

Veteran, ———, under guardianship of ———, since December 20, 1941 died intestate on January 20, 1952. Veteran had been a patient at ——— State Hospital, ———, and ——— was paid for care and maintenance of the veteran while in the hospital. Final account filed by guardian shows $26,900.29 in estate. Veterans' Administration notified guardian that estate would be claimed under escheat law by Veterans' Administration under title 38, United States Code Annotated, sections (3), (5). Subsequent investigation revealed existence of a first cousin who is entitled to inherit estate under ——— laws. In a statement given to field examiner on June 7, 1955, cousin said he had not seen the veteran since 1928.

Veteran ———, confined in VA hospital, ———. Estate of $10,836 under guardianship of ———. Payments stopped because of no dependents and size of estate. No relatives living in United States. Possible escheat of estate to United States upon death of veteran.

Veteran ———, confined in VA hospital, ———, no evidence available of dependents. Mother reported living in Russia, but proof not available. Estate of $65,948 from VA benefits will no doubt escheat to United States upon death of veteran.

Veteran ———, without wife, child, or parent, confined in VA hospital, ———, has estate of $47,035, derived from VA benefits, under guardianship of ———. No benefits being paid at this time because of size of estate and veteran being hospitalized at expense of Veterans' Administration.

Veteran ———, living in Italy, has no wife, child, or parent, and his estate of $11,557 derived from VA benefits, under guardianship of ———. Compensation benefits of $172.50 a month being released to guardian.

Veteran ———, under guardianship of ———, appointed on July 12, 1937, in the Common Pleas Court of ———. Veteran has been hospitalized since 1927. The most recent accounting field with this office on October 24, 1955, shows estate contains $54,717 derived from VA benefits. Our records indicate the veteran had been a waif and has no known relatives.

Brother and sister to receive $88,000: Veteran ———, under guardianship since December 11, 1920. Present guardian is ——— jointly with ———, a brother. According to accounting filed July 9, 1954, estate contains $88,897.17. Veteran has been hospitalized for many years, although he does leave occasionally on short trial visits, but always returns. Veteran's immediate relatives are a brother, ———, and a sister ———. Assets in estate are all derived from VA benefits.

4. We found only one case of a closed guardianship in which the estate had been distributed to heirs. In that case the guardianship estate totaled $67,360.48. The estate consisted of $65,600 in bonds and $1,760.48 in cash. The veteran was a World War I veteran, had received service-connected disability and was receiving compensation at the rate of $181 monthly and payments of war-risk insurance in the amount of $57.50 monthly. The veteran had been under guardianship for 35 years upon the occasion of his death. It was found that the veteran owned a one-sixth interest in certain real estate which he inherited from his father; his interest, however, being valued at only $425. The veteran had been hospitalized for a considerable period of years and was paid compensation until approximately 1 year prior to his death, at which time he was placed in a sanitarium, the payments for which were made from the guardianship estate. At the time of his death the veteran had heirs consisting of 3 sisters and 2 brothers, 1 of

whom had acted as guardian throughout the entire guardianship period.

———. This World War I veteran had a guardian appointed for his estate on June 5, 1939. He was hospitalized at the Veterans' Administration hospital, ———, from that time until the date of his death in this hospital on December 3, 1949. He received disability-insurance benefits from the Veterans' Administration in the amount of $28.75 monthly. At the time of his death he had an estate of approximately $14,000. He was single and without dependents, and was survived by 2 brothers and 2 sisters. At the time the chief attorney discontinued supervising the case, the guardian was serving as ex-officio administrator of the estate, and litigation was pending in the superior court of ———, to have the heirs determined.

———. A guardian served for the estate of this World War I veteran from March 25, 1932, to date of the veteran's death in the ——— State Hospital, ———, on June 25, 1954. During the period of the guardianship he was an inmate of the State hospital. At the time of his death his estate was of the approximate value of $11,000. Prior to his death the veteran was receiving from the Veterans' Adminstration disability compensation benefits of $138.25 monthly. His dependent mother died in June 1953. The guardian is serving as ex officio administrator of the estate and litigation is presently pending in the court of ordinary ——— to determine the heirs and to require a final accounting and settlement. According to the petition filed in court by an alleged aunt, the veteran was not survived by a widow or lineal descendants, or parents, and was survived by the aunt and several descendants of deceased brothers and sisters.

Two brothers, two sisters, and half brother: ———. This World War I veteran has had a guardian appointed for his estate since September 6, 1937, and since that time he has been hospitalized in the Veterans' Administration hospital, ———. It appears that he is 100-percent disabled for a service-connected condition. Compensation payments to his guardian were stopped May 31, 1949, when his stepmother and only dependent died. He is, however, currently receiving from the Veterans' Administration disability-insurance benefits in the amount of $57.50 per month. His estate amounted to $46,277.82 as of March 31, 1955, date of the guardian's last accounting. He has no parents, wife, or children. Nearest relatives consists of 2 brothers, 1 sister, and a half brother.

Fifty-seven thousand dollar estate: ———. This World War I veteran has had a guardian appointed for his estate since May 14, 1919. His present guardian has been serving since November 13, 1936. Since January 8, 1925, he has been hospitalized in the Veterans' Administration hospital, ———. He is receiving disability insurance benefts from the Veterans' Administration in the amount of $57.50 monthly. His estate was of the value of $57,411.67 as of November 13, 1955, date of the guardain's last accounting. Income to the estate is now approximately $1,900 per year, consisting of insurance payments and interest. No parents, wife, or children of record.

———. This World War I veteran has had a guardian appointed for his estate since March 7, 1938. During this period he has been hospitalized at the ——— State hospital, ———. He is single and without dependents. Nearest relative is a brother in Florida. This veteran is currently receiving compensation beenfits of $67 monthly. As of March 8, 1955, date of his guardian's last accounting, his estate was of the value of $50,829.23. The bulk of this estate consists of private property and income therefrom. Income to the estate is now approximately $3,000 per year, consisting of compensation benefits received from the Veterans' Administration and interest.

One-hundred-five-thousand-dollar estate: ———. This World War I veteran has had a guardian appointed for his estate since October 5, 1921. Since that time he has been hospitalized in the Veterans' Administration hospital, ———. He is a single man without dependents. Parents are deceased and the guardian is his brother. He has not received disability compensation benefits from the Veterans' Administration for many years due to his excessive estate, but he is currently receiving disability insurance benefits of $57.50 monthly. His estate was of the value of $105,258.64 as of July 13, 1955, date of the guardian's last accounting. The bulk of this estate consists of private property owned by the ward—19 housing units and 1 business building, etc., and interest received therefrom. This estate, due largely to receipt of rents and interest, is increasing approximately $5,000 per year over and above expenses.

———. This World War I veteran has had a guardian appointed for his estate since July 17, 1933. Since October 1945 he has been hospitalized at the Veterans' Administration hospital at ———. He is single and without dependents. His parents are deceased, and his nearest relatives consist of a brother and 1 or 2 sisters. He is not receiving compensation or pension benefits from the Veterans' Administration, but he is currently receiving disability insurance benefits from the Veterans' Administration in the amount of $57.50 monthly. His estate was of value of $28,660.96 as of July 17, 1955, date of the guardian's last accounting. The estate presently has an income of approximately $1,300 annually, consisting of interest and insurance payments.

———. This World War I veteran has had a guardian appointed for his estate since 1919. Since 1921, he has been hospitalized in the Veterans' Administration hospital, ———. It appears that he has a service-connected disability, but he has received no compensation benefits from the Veterans' Administration since around November 1930, due to an excessive estate. He is currently receiving from the Veterans' Administration disability insurance benefits of $57.50 monthly. He is single and without dependents. His parents are deceased, and it appears that he may have one brother. His estate was of the value of $46,395.55 as of January 5, 1956, and income into the estate is now approximately $1,900 per year, consisting of interest and insurance payments.

———. This World War I veteran has had a guardian for his estate since July 8, 1920, and he has been hospitalized at the Veterans' Administration hospital, ———, since August 1926. He apparently has a service-connected disability, but compensation payments have not been paid for many years due to an excessive estate. He is currently receiving from the Veterans' Administration disability insurance benefits of $57.50 monthly. He is single and without dependants. His parents are deceased, and his nearest relatives consist of two brothers, a sister, and possibly a half brother. His estate was of value of $45,986.83 as of July 13, 1955, date of the guardian's last accounting. Income to the estate is now approximately $1,700 per year, consisting of disability insurance payments and interest.

Seventy-thousand-dollar estate to brothers and sisters in Poland: During recent years there have been distributed in this area a number of estates of incompetent World War I veterans who, either immediately upon separation from service or shortly thereafter and until death, were continuously hospitalized in Government institutions and who were entitled to compensation for total disability. Due to the dependency of parents these veterans continued to receive compensation notwithstanding assets in excess of the statutory limit; and, from this compensation alone or combined Veterans' Administration compensation and disability insurance payments, accumulated sizable estates until compensation terminated upon death of the parent. In two instances, the veterans' compensation was temporarily interrupted during World War II in view of the statutory limit and because the parents resided in hostile or enemy-occupied territory and their existence and/or continued dependency could not be verified. However, subsequently, upon proof of existence and continued dependency of the parents, compensation benefits were resumed until the parent in each case died. One of these veterans was survived by an estate valued at $59,000, which was distributed equally to 1 sister in this country and 4 brothers and 4 sisters in Italy. The other left assets of $70,500 and reportedly is survived by a brother and sister in Poland. This latter estate is deposited pursuant to order of court with a register of wills in this State being held in a special account until in due course claimed by person or persons legally entitled thereto. If the purported brother and sister are unable to satisfactorily establish relationship there are aunts, uncles, and other more distant relatives in this country who are probably entitled to the inheritance under the intestacy laws of Maryland.

Sixty-one thousand dollars to 1 sister and 3 brothers: Another such case with assets over $61,000 is being distributed to sisters, brothers, and descendants of a deceased brother of the veteran; and 1 valued at $36,000 was distributed in shares of one-fourth each to 1 sister and 3 brothers.

Recently there was also noted the case of a totally disabled veteran of the First World War who, while under guardianship and not hospitalized, accumulated $7,400 from Veterans' Administration compensation benefits surplus to his needs. His estate was inherited by a surviving 85-year-old aunt.

Currently there is pending litigation in this jurisdiction on an estate of approximately $5,000 left by a totally disabled veteran of World War I who during his lifetime received continuous hospitalization at Government expense. This $5,000 accumulated from adjusted service compensation and monthly disability benefits prior to termination of said disability payments because of the statutory limit in 1931. This decedent's nearest of kin known to this office are nieces and nephews who it is anticipated will assert claim to the estate.

EXHIBIT A.—*1st category—Presently hospitalized incompetent veterans with neither wife, child, nor dependent parents in VA hospitals*

Case No.	Value of estate [1]	Nearest of kin
1	$16,702	Brother.
2	16,820	Brothers and sisters.
3	17,472	Do.
4	18,752	Sister.
5	20,126	Brothers and sisters.
6	21,756	Brother.
7	23,843	Brothers.
8	24,377	Niece.
9	34,557	Brother.
10	36,835	Nephew.
11	38,366	Brother.
12	40,366	Do.
13	42,657	Sister.
14	46,147	Nephew.
15	47,113	Brothers.
16	54,051	Cousins.

[1] Cents omitted.

EXHIBIT B.—*2d category—Presently nonhospitalized incompetent veterans with neither wife, child, nor dependent parent*

Case No.	Value of estate [1]	Nearest of kin
1	$17,450	Sister.
2	19,418	Brother and sister.
3	20,160	Do.
4	30,964	Sister.
5	49,578	Do.

[1] Cents omitted.

EXHIBIT C.—*3d category—Estates of deceased incompetent veterans with neither wife, child, nor dependent parent which were inherited by distant relatives*

Case No.	Value of estate	Nearest of kin
1	$15,304.50	Sisters and brothers.
2	33,055.43	Sister.
3	11,267.17	Sisters.
4	31,907.04	No dependents shown in file; succession not completed.
5	34,478.78	Brother and sister.
6	[1] 43,440.74	Sister.

[1] Plus $4,832.86, property.

Ten thousand dollar to sixty thousand dollar estates: There are currently in this office several active guardianships with estates varying from $10,000 to $60,000, all from Veterans' Administration sources, of which the case of ——— is a typical example. He is a World War I veteran, and has been continuously hospitalized by the Veterans' Administartion since before 1922. His estate is now in excess of $56,000, and has been built up over the years by reason of the recognition of his mother, who resides in Italy, as his dependent. The guardian remits to the mother $100 per month, which amount investigation has shown to be adequate for her needs. The veteran spends practically nothing. The dependent mother is now 90 years old. Upon her death, payment of compensation will be suspended. The only known heirs of the veteran are a sister, in Italy, or should she predecease him, her children, also residing in Italy.

Criminal convictions: A related type of case is one where Veterans' Administration compensation payments continue to be paid for a single incompetent veteran, without dependents, while he is maintained in a State penal institution. A typical case in this office is that of ———. In 1948, he was convicted of kidnaping, robbery, grand theft, and car theft ,and sentenced to life imprisonment without possibility of parole. He has been in ——— Prison since March 1948. He was rated to be incompetent, and 100 percent disabled for a wartime service-connected condition, and a guardian of his estate was appointed in 1949. The value of the estate is now over $13,000. Current benefits are $181 per month. Prison regulations permit him to spend only $12 per month, thus his estate is increasing approximately $2,000 each year. He is now 35 years old, and if he lives a normal span of life, or to 65 years of age, his estate will have accumulated to about $75,000. His only heirs are remote.

The following are cases where the estate was inherited by other than dependents:

———. Under guardianship and continuously hospitalized from 1924; $2,186 inherited by a niece.

———. Under guardianship since 1924; intermittently hospitalized; $41,724 inherited by two sisters and a brother.

———. Under guardianship from 1938; continuously hospitalized; $3,378 inherited by 8 cousins.

———. Under guardianship and continuously hospitalized from 1927; $7,861 inherited by a niece.

———. Under guardianship from 1935; intermittently hospitalized; $10,800 inherited by brothers and sisters in Italy.

———. Under guardianship from 1947; a member of the Veterans' Home of California; award not reduced because Public 662 does not include maintenance at State homes; $4,797 inherited by niece.

I. GUARDIANSHIP OF INCOMPETENT VETERANS

1. Number of cases in which guardians only have been appointed for incompetent veterans, 1,205.

(a) Of this total, select 100 cases at random of veterans who have no wife, child, or parent and list the number of cases in which the value of the estates is within the following categories:

	Number
$1,500 to $3,000	16
$3,000 to $5,000	9
$5,000 to $7,500	6
$7,500 to $10,000	5
$10,000 to $15,000	5
$15,000 to $20,000	5
$20,000 to $25,000	4
$25,000 to $50,000	10
Above $50,000	0

II. INCOMPETENT VETERANS IN STATE INSTITUTIONS

1. Number of cases of incompetent veterans in State institutions, without wife, child, or dependent parent, in which institutional awards have been approved and in which funds are being deposited in the personal funds of patients, 5.

(a) Of this total, list the number of cases in which the amount on deposit in the personal funds of patients is within the following categories:

	Number
$1,500 to $3,000	1
$3,000 to $5,000	---
$5,000 to $7,500	---
$7,,500 to $10,000	---
$10,000 to $15,000	---
$15,000 to $20,000	---
$20,000 to $25,000	---
$25,000 to $50,000	---
Above $50,000	---

——— is a 37-year-old World War II incompetent veteran, who has a monthly award of $245.50 which is paid to a committee. He has been a patient in VA hospitals for more than 10 years and there is no indication of discharge. His estate has a value of $17,000 and is increasing at a net rate of about $2,400 annually. His only dependent is an incompetent mother who is expected to be a patient for the remainder of her life in a State institution. Both the veteran and his mother have such a limited capacity to enjoy the benefits of his money that an average yearly expenditure of only $200 is made from his estate for their comforts. The State of ——— has pressed no claim against the veteran's estate for the cost of her maintenance in the State hospital. If paid, it would amount to only $50 per month.

——— is a 35-year-old World War II incompetent veteran, who has a monthly award of $198.50, which is paid to a committee. He has been a patient in a VA hospital for more than 8 years and there is no indication of discharge. His estate has a value of $23,000 and is increasing at a net rate of about $2,000 annually. His only dependent is an incompetent mother who is expected to be a patient for the remainder of her life in a State hospital. Both the veteran and his mother have such a limited capacity to enjoy the benefits of his money that an average yearly expenditure of only $200 is made from his estate for their comforts. The State of ——— has pressed no claim against the veteran's estate for the cost of her maintenance in the State hospital. If paid, it would amount to only $50 per month.

——— is a 58-year-old World War I incompetent veteran, who has a monthly award of $195, which is paid to a committee. He has been a patient in a VA hospital for more than 18 years and there is no indication of discharge. His estate has a value of $17,000 and is increasing at a net rate of about $1,850 annually. His only dependent is a 33-year-old helpless adult child, who is expected to be a permanent patient in a State institution. The veteran needs less than $200 annually for his comforts and no funds are currently being requested by the State hospital for the comforts of the helpless child. The committee has heretofore supplied such funds as were requested. The State of ——— has made no claim on the committee for the cost of maintenance of the helpless child. If paid, it would amount to only $50 per month.

Guardianship since 1920: In one case we have observed that a World War I veteran died in a VA hospital in December 1955. His dependent mother died in July 1950. Up to this last date compensation for total disability was paid even though the veteran was being maintained in a veterans' hospital. The veteran had war-risk insurance in the principal sum of $5,000. Up to the date of his death a little more than $12,250 had been paid on this policy. At the time of his death the veteran, who had been under guardianship since 1920, left an estate of approximately $25,000, all of which was inherited by his surviving brother who had been his guardian for many years.

Two-hundred-and - fifty - thousand-dollar estate, 17 oil gushers: We have one pending World War I case in which an illiterate Negro has received compensation and insurance practically all the time since his discharge. Much of his time was spent in hospitals and he is now back in the hospital after an absence of more than 10 years. His parents are dead but he has several brothers and sisters. His former guardian acquired about 150 acres of land for a nominal price with funds paid by the VA and the land proved to be in the east Texas oilfield. He has about 17 gushers on his land. Much litigation has been had over his estate and a great deal of money has been spent in connection with litigation as well as for the ward's support while out of the hospital. Despite this his estate is conservatively believed to be worth at least a quarter of a million dollars. It will be inherited by his collateral kindred. Despite his wealth the VA pays compensation when the ward is not in the hospital and continues to pay insurance for total disability.

Six criminally insane veterans: The chief attorney has invited my attention to the cases of six veterans, who have no wife, child, or parent and who have been committed by law to a ——— State hospital for the criminally insane. These commitments were made by our courts in lieu of prison sentences because of an adjudication of insanity. In four of these cases the veterans have been granted permanent and total service-connected disability compensation with monthly payments at the rate of $181 each and as of the last accountings, all in 1955, they had estates of $16,020.48, $31,268.76, $5,820.76, and $14,911.47, respectively. In 2 of these cases the veterans have been awarded permanent and total nonservice pension with monthly payments of $78.75 each and their estates amount to $10,761.65 and $3,779.61, respectively. Because there is no charge made for their board and maintenance, as such charge could not be made under the laws of this ——, and the limited expenditures that need to be made for the few incidentals or comforts that may be furnished them, it is obvious that these are estates which will accumulate annually and which upon the death of the veteran will under the laws of ——— be required to be distributed to the existing next of kin.

1. Our records reveal this World War I veteran was rated 100 percent non compos mentis and guardian appointed in 1924, while veteran was an inmate of State hospital. He was transferred to the Veterans' Administration hospital, ———, in March 1923, where he remains. Both father and mother were recognized as dependents and 100 percent disability benefits were paid until the death of the father in 1950, the mother having died 12 years previously. Compensation payments were suspended in May 1950, because the estate exceeded the

statutory limit for a hospitalized veteran without dependents. The veteran's estate of $29,310.13 consists principally of insurance payments. By decree of the United States District Court of the Northern District of ———, the veteran's estate was awarded a settlement in the amount of $14,690.40 as accrued payments to January 30, 1943, and subsequently payments of $51.75 monthly to present date. With accrued interests on investment and the insurance payments the estate has been brought up to its present value of $29,310.13. The records indicate the veteran has a living brother and sister.

2. We have record of a World War II veteran who was declared incompetent and admitted to a State hospital on April 1, 1944, and subsequently to a Veterans' Administration hospital on May 10, 1944, where he has remained continuously. From date of appointment of guardian on April 29, 1944, the father was recognized as a dependent and continued as a dependent until death on March 24, 1948. The estate of $6,275 consists of Veterans' Administration benefits entirely, which accrued during the first 4 years of his hospitalization while the father was declared a dependent. Payments were suspended January 31, 1949, because the estate exceeded the statutory limitation of $1,500 for a veteran hospitalized in a Veterans' Administration hospital without dependent. The records indicate the veteran has 10 brothers and sisters as nearest of kin.

3. We have another case of a World War I veteran who was rated incompetent in 1928. He formerly received compensation payments of $150 plus insurance payments of $28.07. The compensation has been reduced to 33 percent and he now receives compensation of $67 and insurance payments of $28.07. The ward's estate of about $8,727 consists of about $3,000 from outside sources, including about $1,000 from timber sold recently. At present the ward's expenditures exceed his receipts. The records indicate the veteran has a sister with whom he resides.

4. Our records reveal we have another World War I veteran who had a guardian appointed for him on March 30, 1922, and he was hospitalized in a Veterans' Administration hospital on April 19, 1922. A letter from the Veterans' Administration, ———, dated November 27, 1941, shows that the ward received payments of $5,490.97 from October 10, 1919, through May 31, 1926, when apparently his payments were discontinued due to the size of his estate. He has a total estate of $9,352.38 which is commingled. Much of this amount has been received from sale of property and rental of property. The records indicate the veteran has five brothers and sisters.

5. Thirty-six thousand dollar estate: We have record of a case where the guardianship was terminated by the death of a World War I veteran. The veteran was under guardianship for many years. He was rated 100 percent disabled and received Veterans' Administration compensation except during periods while he was in Veterans' Administration hospitals and when pay to his guardian was suspended because he was hospitalized, single, and without dependents. In addition he received Government insurance in the amount of $57.50 per month. He was without a wife or dependents for many years. At the time of his death in 1953, his estate was $36,856.37, all derived from payments of compensation and insurance by the Veterans' Administration. His legal heirs were an adult son and daughter.

6. In another case of a World War I veteran, who had been under guardianship for many years, the veteran died in 1955, leaving an estate of $9,300.79, all derived from benefits payable through the Veterans' Administration. He was in receipt of 100 percent disability compensation except when payments were stopped while he was in a Veterans' Administration hospital and without dependents. His dependent mother predeceased him in 1953. His legal heirs were an aunt and uncle.

7. We have a case of another World War I veteran under guardianship for many years. Payment of 100 percent disability compensation has been suspended because of Veterans' Administration hospitalization and no dependent relatives. The veteran receives $57.50 monthly from the Veterans' Administration as insurance benefits and has an estate in excess of $24,876.29, all apparently derived from the above-mentioned benefits. His prospective legal heirs include a sister, or nieces or nephews.

8. We have an estate of a World War I veteran who has been under guardianship and has been in Veterans' Administration hospitals for many years. He is no longer in a Veterans' Administration hospital, and his guardian is in receipt of $181 compensation and $54.44 insurance payments monthly from the Veterans' Administration. His present estate is valued at $27,063.20, all derived from the above payments. His prospective legal heirs are brothers and sisters.

9. Our records reveal the estate of a World War I veteran whose 100 percent disability compensation payments have been suspended by reason of his hospitalization in Veterans' Administration hospitals, and since he has no dependents. His guardian is in receipt of $57.50 monthly insurance payable through the Veterans' Administration. His estate, all derived from Veterans' Administration benefits, is valued at $20,346.87. His prospective heirs are sisters, or nieces, or nephews.

10. Nieces and nephews benefit: In another case of a World War I veteran in receipt of 100 percent disability compensation, the pay has been suspended by reason of the veteran's hospitalization in a Veterans' Administration hospital, and since he has no dependents. His estate receives $57.50 monthly insurance payments through the Veterans' Administration and is valued at $37,490.57. However, a part of that estate includes assets from other sources, not including real estate. His prospective heirs are nieces and nephews.

11. We have a case of an incompetent veteran under guardianship where payments were suspended June 25, 1941, at which time the veteran's dependent mother died. The veteran at that time had no other dependents and was in a Veterans' Administration hospital, and his estate exceeded $1,500. On the date of the last annual accounting by the guardian his estate was valued at $13,092.90, the principal portion of which includes Veterans' Administration benefits. This veteran's prospective legal heirs are brothers and sisters.

12. Half brothers, sisters, nieces, and nephews: The largest single estate in this office is that of a World War I veteran who is single and without dependents, and is not hospitalized. His disability compensation is $181 per month and insurance payments through the Veterans' Administration are $57.50 per month. As of March 1955, his estate was valued at $58,427.50. This veteran was formerly under guardianship in ———, and the successor guardian received $40,295.26 in March 1944. We are unable to say whether all of this estate was derived solely from Veterans' Administration benefits. The prospective legal heirs are half brothers and sisters, nieces, and nephews.

13. In the case of a World War I veteran now in a hospital and without dependents payments have been discontinued because the estate exceeds $1,500. The guardian does receive $25 per month through the Veterans' Administration as insurance payments. As of December 1955, the estate was valued at $20,249.99. Payments have been suspended since July 8, 1947, when the veteran's dependent mother died. The veteran has been in a hospital for a long period of time. His prospective heirs are sisters.

14. There is a record of a case of a World War I veteran in a Veterans' Administration hospital and without dependents whose estate in December 1955, derived from Veterans' Administration pension benefits and outside sources, was valued at $13,675.55. No payments of pension are being made at this time since his estate exceeds $1,500. He has a sister as a prospective heir.

15. In the case of a World War I veteran in a Veterans' Administration hospital and without dependents, we have record of an estate valued at $23,884.80. Payments have been suspended since veteran is single and has no dependents. However, $28.75 per month for Government insurance is paid to the guardian. This estate appears to have been derived from both payments from the Veterans' Administration and other sources. The veteran appears to have been hospitalized since 1930. His prospective legal heirs are brothers and sisters.

16. Another World War I veteran under guardianship and hospitalized by the Veterans' Administration for many years has his 100-percent compensation suspended by reason of hospitalization. He receives $55.53 per month from United States Government life insurance, has an estate in excess of $26,163.26, plus farmlands of substantial value, derived from Veterans' Administration benefits and outside sources. His prospective heirs are brother and two sisters.

17. This World War I veteran under guardianship and hospitalized by the Veterans' Administration for many years has his 100-percent compensation suspended by reason of hospitalization. His estate in excess of $19,597.85 has been derived from Veterans' Administration benefits. His prospective heir is one brother.

18. Another World War I veteran under guardianship and hospitalized by the Veterans' Administration for many years has his 100-percent compensation suspended by reason of hospitalization. He has an estate in excess of $23,431.62 derived from Veterans' Administration benefits. His dependent mother died in 1946. His prospective heirs are cousins.

1. Case A: Totally disabled World War I veteran, under guardianship since 1920, in VA hospital since 1925, was awarded total disability compensation benefits and disability insurance benefits effective April 15, 1919. Compensation benefits were terminated in November 1944 following death of dependent mother, veteran's estate exceeding $1,500. Disability insurance payments of $57.50 monthly have continued without interruption. As of June 30, 1955, veteran's estate was $38,678. Since 1949 an average of approximately $11.50 a month has been spent for the personal needs and comforts of the veteran while hospitalized. The only known relatives are sisters and a brother.

2. Case B: In VA hospital since 1920. $46,000 estate: Totally disabled World War I veteran, under guardianship since 1920, in VA hospital since 1920, was awarded total disability compensation benefits and disability insurance benefits effective June 10, 1918. Compensation benefits were terminated in 1931 but disability insurance payments of $57.50 monthly have continued. As of September 8, 1955, the veteran's estate was $46,441. Since 1950 an average of approximately $7.50 a month has been spent for his personal needs and comforts while hospitalized. Only known relatives are brothers.

3. Case C: Totally disabled World War I veteran, native of Denmark who served from July 22, 1918, to September 25, 1918, under guardianship since 1919, in VA hospital since 1924, was awarded total disability compensation benefits and disability insurance benefits effective in 1918. Compensation

benefits were terminated in 1925 but disability insurance payments of $57.50 monthly have continued. As of September 1955 veteran's estate was $42,025. Since 1950 an average of $6 a month has been spent for his personal needs and comforts while hospitalized. Only known relative is a brother in Denmark.

4. Case D, $60,000 estate, $25 monthly for veteran: Totally disabled World War I veteran, under guardianship since 1919, was awarded total disability compensation benefits and disability insurance benefits in 1918. Until October 1954 when he entered VA domiliciary, veteran lived on farm of parents or brothers, never requiring more than $60 a month for living expenses. Compensation benefits were terminated in 1954 because estate exceded $1,500, but disability insurance payments of $57.50 monthly have continued. As of February 1956 the veteran's estate exceeds $60,000. Approximately $25 a month is being used for his personal needs and comforts while hospitalized. Only known relatives are some brothers.

5. Case E: Totally disabled World War I veteran, under guardianship, and hospitalized in VA hospital for many years. Was awarded total disability compensation benefits and disability insurance benefits in 1921. Compensation benefits were terminated in 1947 following death of a dependent mother, but disability insurance benefits of $57.50 monthly have continued. His estate currently amounts to $35,585. Since 1949 an average of approximately $12 a month has been used for his personal needs and comforts. Only known relatives are sisters.

Lithuanian National Benefit: ———. The subject veteran died a patient at ——— VA hospital on July 22, 1952. Upon settlement of his guardian's account a balance of $29,322.11 was turned over to the public administrator of Kings County, ———. Since Veterans' Administration records did not reveal the survival of next of kin and since no testament was located, a claim was made to the estate by the United States attorney for the ——— on behalf of the United States pursuant to section 17 et seq. of title 38, United States Code. Mr. ——— of ———, entered a claim to this estate based on a relationship of second cousin alleging that his grandfather and the veteran's grandmother were brother and sister. Because proof of this relationship depends upon public records of Lithuania and the testimony of Lithuanian nationals, ——— has not as yet been able to establish his claim to the satisfaction of the court and a final decision is awaiting the results of further attempts on his part to obtain necessary evidence. All the funds in this estate are from the Veterans' Administration.

———. The subject veteran has been hospitalized in the county mental hospital, ———, England, since August 1, 1930. His next of kin is his sister, ———, who resides in Liverpool, England. The assets as of the last accounting date, March 11, 1955, amounted to $18,814.21, all derived from the VA. The income consists of VA compensation of $145 per month. No charge is being made for the veteran's hospitalization in England. Disbursements consist of a payment of about $100 annually for the cost of the veteran's incidental needs plus about $60 per year for the expense of the sister's visits to the veteran. Miscellaneous legal and administrative expenses total about $110 a year. This estate is, therefore, being increased by approximately $1,500 per year.

———. The subject veteran was committed to ——— State hospital in April 1951 as the result of criminal charges then pending against him. He is single and his nearest relative is a sister. His guardian, a bank, receives $181 per month compensation on his behalf from the Veterans' Administration. Since he has been committed to the hospital on criminal charges the VA is not paying for his hospitalization nor is his estate paying for his care and maintenance. Because of his condition none of his funds is being used for his benefit. Consequently his estate has grown from approximately $6,000 at the time of his commitment to over $15,000 as of the date of the last accounting in May 1955.

———. Subject veteran was committed to ——— State Hospital in February 1933 on criminal charges. He has had no dependents since May 1948 when his daughter, who is his next of kin, reached the age of 18. The income consists of VA compensation of $145 per month. Since he has been committed to the hospital on criminal charges the VA is not paying for his hospitalization nor is his estate paying for his care and maintenance. Some of his funds are used for his incidental needs but his estate has increased from about $1,800 in 1948, when his daughter's dependency ended, to over $9,000 as of the date of the last accounting in October 1955.

Cousin in Germany: One is the case of a veteran who died intestate leaving assets in the amount of $26,500. The veteran died without heirs, spouse, or known next of kin entitled under the laws of Oregon to his personal property. The administrator of the estate has alleged in determination of heirship proceedings that the veteran has a first cousin who resides in Germany who is entitled to his estate. The case is now in the process of litigation as to whether reciprocal rights of inheritance existed between the Western Zone of Germany, where the alleged cousin resides, and the United States at the time of the veteran's death.

———, was hospitalized in the ——— State Hospital from June 27, 1916, until the date of his death, November 22, 1955. He was entitled to peacetime compensation and a committee was appointed for him on January 20, 1920. At the time of his death there were no close relatives and according to records at the ——— State Hospital distant relatives seldom visited him during his confinement. He left an estate of $7,057.46, which was inherited by distant relatives and which had accumulated from compensation payments.

———, drew compensation from the Veterans' Administration from August 12, 1945, through June 30, 1950, after which time he drew Army retirement pay which was reduced by 50 percent under the provisions of Public Law 662, 79th Congress, as he was hospitalized in the Veterans' Administration Hospital, ———. He died November 17, 1955, and left an estate of $17,574.75, which was inherited by brothers and sisters who are well-to-do in their own rights. ——— was hospitalized from the time of his release from the service to date of his death and therefore he was continuously cared for at Government expense.

———, was hospitalized continuously in the ——— State Hospital from about 1925 until his death in 1948. He left an estate in excess of $10,000, accumulated from funds paid by the Veterans' Administration. During the entire period of his hospitalization he was not visited by any relative. After his death, an effort was made to have his estate escheat to the United States. However, a son and daughter were able to establish their right to inherit to the satisfaction of the court after establishing a common-law marriage of their mother to the veteran.

——— is presently hospitalized in the Veterans' Administration hospital, ———, and has an estate of $22,943.70 which has been accumulated as a result of compensation and United States Government life-insurance payments. The veteran's brother is acting as his committee and stands to inherit one-half of the estate and a sister will inherit the balance. Foster-home care has been recommended by the hospital authorities but has not yet been accepted by the committee.

Eighty-five thousand-dollar estate: ——— was admitted to the ——— State hospital April 17, 1926, and he has been in receipt of compensation based on 100 percent disability rating since that date, and he is also entitled to disability-insurance payments in the amount of $57.50 per month. The veteran's brother, Dr. ———, was appointed to committee May 16, 1928, and the principal disbursement from this account is for the veteran's maintenance and support at the ——— State hospital, which is only $60 per month at the present time. This veteran does not have a wife, child, or parent, and his estate now totals $85,637.20, which will be inherited by one known brother and possibly others.

One hundred and twelve thousand dollars to wealthy sister: ——— has been a patient in the ——— State hospital since shortly after his discharge from the Army following World War I. Compensation payments at the rate of $181 per month and disability insurance payments at the rate of $57.50 per month are currently being paid. His estate is now $112,608.82. Approximately one-half of this was derived from the sale of timber on some land owned by him prior to his admission to the hospital and land obtained as a result of the foreclosure of a mortgage which was security for an investment of Veterans' Administration funds. At the present time the ——— hospital charges $60 per month for care and treatment and the spending money for this veteran is negligible. If this veteran were in a Veterans' Administration hospital, compensation would be discontinued under Public Law 662, 79th Congress. Throughout the years that this veteran has been hospitalized his family has been aware of the fact that he was eligible for hospitalization by the Veterans' Administration but has taken no action to have him transferred. So far as this office knows, his sole heir is a sister, who is, according to our information, wealthy in her own right.

——— has been hospitalized in a Veterans' Administration hospital continuously since 1932. His only known relative is a brother, who is serving as his committee. Non-service-connected pension was paid to this veteran from the date of his hospitalization to September 30, 1952. At the present time, his estate amounts to $4,728.66, and no disbursements have been made from the estate for a number of years.

———, a veteran of World War I, has been continuously hospitalized in a Veterans' Administration hospital since his discharge from the service. A committee was first appointed for the veteran on January 3, 1920. Compensation payments were discontinued because the veteran's estate was in excess of $1,500, but, his estate now amounts to $21,284.75. This estate has been accumulated from payments of United States Government life insurance. The facts in this case are being given for the reason that the large accumulation is from insurance payments only.

Sixty-five thousand dollar estate: ——— age 61, is a veteran of World War I and has been hospitalized in the VA hospital, ——— continuously since November 15, 1921, by reason of service-connected mental disease (dementia praecox, catatonic type). This has been held to disable him 100 percent and compensation was paid to his guardian, appointed by the Marion Probate Court, ——— on ——— until ——— when it was discontinued by reason of his estate being in excess of $3,000. His estate is valued at $65,153.49 (per accounting in October 1955) and was derived from payments of compensation and war-risk insurance, and earn-

ings on investments of the accrual thereof. Payments of insurance are continuing at the rate of $57.50 a month. He appears to have no wife, children, or living parent. There is indication he had a brother some years ago, but it is not known if he still exists.

——— is 68 years old and has always been single, according to our records. He is 100 percent service connected for dementia praecox and has been since 1930. He is a World War I veteran. Compensation benefits were terminated in August of 1932 because he had no dependents and his estate was in excess of $3,000. His guardian has been in receipt of war-risk-insurance benefits at the rate of $57.50 per month since July of 1922. Our records show the veteran's father was 68 years old in 1922, and the mother had been dead prior to that time. The veteran also shows 1 brother and 5 sisters. The present estate held by the guardian is $36,370.27, and the only known heirs would be the brother and sisters.

——— was held to be 100 percent service connected for dementia praecox and incompetent since his discharge from World War I in April of 1919. His age at present is 65 years. He has been a patient at the Veterans' Administration hospital at ——— since that time and has been under guardianship continuously. Compensation payments were stopped to his guardian on August 28, 1941, upon the death of his dependent father, and because his estate was over $1,500. His mother was dead at the time he was in service. He has been in continuous receipt of war-risk insurance benefits at the rate of $57.50 per month, and his guardian's accounting as of February 28, 1955, showed an estate of $33,129.05 Our records do not show any known relatives.

Six brothers and sisters benefit: ——— is presently 62 years of age and single. He is a patient at the Veterans' Administration hospital at ———, and has been continuously since 1927. He is 100 percent service connected for dementia praecox and has been so rated since his discharge from the Navy after World War I (on March 4, 1919). This veteran's benefits have been stopped since approximately 1931, due to his estate being over $3,000 and no dependents. The father died in the early 1920's and the mother was never shown to be dependent and would be presently, if known to be living, 83 years of age. There is no record of her death. The veteran's estate at present, according to the guardian's last accounting, is $51,980.40 and the guardian still receives war-risk insurance benefits at the rate of $57.50 per month. There were six brothers and sisters, who apparently would be the only heirs, and there are no apparent dependents.

——— is 60 years old and was a World War I veteran. He has been 100 percent service connected for dementia praecox since his discharge from service in April of 1919 and has been a patient at the Veterans' Administration hospital at ——— since June of 1921. He is a single veteran. This veteran's mother was 60 years old in 1919. The veteran's compensation benefits were stopped in January of 1931 because there were no dependents shown and his estate was over $3,000. We have no further information as to whether the mother is living, but presume she is deceased as she would now be 97 years old and no claim has ever been filed on her behalf. The present estate of this veteran, according to the guardian's last accounting, is $38,271.31, and he is still in receipt of war-risk insurance benefits at the rate of $28.75 per month.

Polish beneficiaries: ——— is a World War I veteran, who has been rated 100 percent service connected since his discharge from World War I on November 17, 1919. He has been in the VA hospital ——— since 1925. Payments were stopped on his behalf to the guardian in 1939, due to the fact that his dependent mother, ——— of Woj, Wolynakie, Poland, was in Poland at the outbreak of the war. The guardian has never heard from her since that time, and any relatives the veteran might have would apparently be in Poland. This veteran's estate, according to the last accounting of February 18, 1955, amounted to $56,094. The guardian is still in receipt of war-risk insurance benefits at the rate of $57.50 per month. The veteran was listed as single and to our knowledge, has no wife, children, or dependent parent.

——— age 65, is an incompetent veteran, under guardianship since 1923 in ———. He has been hospitalized continuously in the VA hospital, ———, since shortly after World War I, by reason of mental disease, and the guardian, his sister, received payments of compensation until discontinued by reason of his estate being over $1,500 on October 18, 1939. She continues to receive payments of war-risk insurance at the rate of $57.50 a month in addition to the returns on investments, and her last accounting, filed January 4, 1956, shows an estate of $27,154.31. There appears to be no living parent, wife, or child.

Case No. 1 (World War I): Veteran hospitalized since December 11, 1924. Guardian appointed December 24, 1921. VA entitlement $57.50, Government life insurance payments and service-connected compensation. Compensation payments suspended February 28, 1931, at which time $20 per month was being paid. Insurance payments continuing. Value of estate as of October 3, 1955, $55,845.23, of which $21,465 represents VA benefits, and balance is from private sources. Dependents: None. Potential heirs: Unknown. Estate has accumulated to present extent by reason of the fact that the veteran's needs require very little funds.

Case No. 2 (World War I), beneficiaries in Argentina: Veteran hospitalized in VA hospital, ———. Guardian appointed August 23, 1923. VA entitlement 100 percent service-connected disability and $57.50 monthly United States Government life insurance payments, the latter continuing. Veteran single with no dependents. Compensation payments stopped February 20, 1931, as estate exceeded statutory limit. The estate is now approximately $35,000, with an approximate increase of $1,000 per year. Fifty percent of estate received from private sources. Potential heirs: Brother and sister in Argentina.

Case No. 3 (World War I): Veteran hospitalized VA hospital, ———. Guardian appointed December 12, 1921. VA entitlement $193.50 disability compensation and $57.50 monthly United States Government life insurance, both continuing. Veteran's wife in Poland, receiving $85 monthly allowance, which appears adequate in amount. Estate's present value approximately $56,000, with annual increase of approximately $2,000. Entire estate accumulated through VA benefits. Dependents: Wife. Potential heirs: Wife and adult children in Poland.

Case No. 4 (World War I): Veteran hospitalized VA hospital since July 9, 1925. Guardian appointed April 6, 1922. VA entitlement service-connected disability payments and $57.50 monthly United States Government life insurance payments, the latter continuing. Disability compensation payments suspended February 28, 1931, estate being in excess of statutory limit. $20 disability compensation per month was being paid when payments were suspended. Present value of estate, $53,943.47, $26,200 thereof VA benefits, and the balance from other sources. Estate has accumulated, as needs of veteran require a small amount of funds. Potential heirs: Uncle and possibly others unknown.

Case No. 5 (World War I): Veteran hospitalized VA hospital since March 1, 1927. Guardian appointed October 30, 1922. VA entitlement $52.51 per month United States Government life insurance payments continuing and disability compensation payments which were in the amount of $138 per month at time of suspension on November 9, 1948, when death of dependent mother occurred. Present value of estate, $23,214.98, all VA benefits. Present income approximately $1,000, which causes an increase in the estate annually of from $800 to $900, the difference between income and increase in estate annually being represented by administration charges and the small amount required to provide for the veteran's needs. Potential heirs: Veteran's sister in California and possibly others unknown.

Case No. 6 (World War I) benefits for Greek citizens: Veteran hospitalized since June 4, 1925. Guardian appointed November 9, 1921. VA entitlement service-connected disability 100 percent. Present value of estate, $24,305.74, all VA funds. Monthly payments, $198.50 continuing by reason of dependent mother residing in Greece. Mother is past 90 years of age. Potential heirs: Mother and possibly other relatives unknown at present. Estate is accumulating by reason of the small requirements of veteran, which have been met over the past 10 years by an expenditure of less than $100 per year, average. Mother receives $100 per month per court order, which has been determined to be adequate for her needs.

Case No. 7 (World War I): Veteran hospitalized from 1920. Guardian appointed 1919. VA entitlement $57.50 per month United States Government life insurance payments continuing and service-connected disability compensation, the latter having been suspended on February 1, 1950, when veteran was transferred to VA hospital. Previous thereto, he was maintained in a State hospital at expense of his estate. Present value of estate, $34,000, of which approximately 50 percent represents VA benefits and balance from private sources. Dependents: None. Potential heirs: Two sisters in Detroit, Mich. Reason for estate's accumulation, veteran was hospitalized in State hospital for about 30 years, and compensation as well as insurance was paid during that time. He also had a dependent mother living in Poland, and a small monthly allowance was made for her until her death in 1939. Veteran has not required much for his needs, since he has been in VA hospital. Investments have also provided a good return to the estate.

Case No. 8: Veteran hospitalized in VA hospital since October 5, 1936. Formerly hospitalized in State hospital. Guardian appointed May 23, 1921. VA entitlement service-connected disability and $57.50 monthly United States Government life insurance payments, the latter continuing. Compensation payments were discontinued effective March 31, 1939, a dependent mother having died April 16, 1939. Accounting for period through December 15, 1939, showed estate of $15,100, all VA funds. Estate's present value, $25,884.70, derived from VA benefits consisting of compensation, adjusted service benefits, continuing Government life insurance payments, and earnings on investments. The needs of the veteran being considerably less than income is the reason for the present accumulation, which will be a continuing situation while the veteran is cared for as at present. Potential heirs: Sister and nieces and nephews.

Case No. 9 (World War I): Veteran hospitalized in VA hospital. Guardian appointed September 26, 1921. VA entitlement 100-percent-service-connected disability and $57.50 monthly Government life-insurance payments, the latter continuing. Disability-compensation payments suspended, as estate was in excess of statutory limit. Estate now

approximately $24,000, derived from VA funds, with annual increase of approximately $500 per year. The only expenditures are cost of administration of the guardianship and the small amount required to provide for the veteran's needs. Dependents: None. Potential heirs: Unknown.

Case No. 10, three nephews in Italy: The veteran now deceased and file has been obsoleted. The following is submitted based on recollection: Veteran hospitalized for many years immediately following World War I. Guardian appointed at about time of hospitalization. VA entitlement 100 percent service-connected disability and $57.50 monthly United States Government life-insurance payments. Full amount of disability compensation entitlement was paid at all times from veteran's initial hospitalization until his death during the past year by reason of the fact that his parents, living in Italy, were considered dependents, and, at time of death of the last surviving dependent parent, which preceded the veteran's death by a short time, the veteran was not receiving hospitalization. At veteran's death, his estate amounted to approximately $30,000 and consisted of almost, if not all, VA benefits. Heirs: 3 nephews in Italy and 1 living in Michigan.

Case No. 11 (World War I): Veteran hospitalized from 1922. Guardian appointed June 20, 1922. VA entitlement service-connected-disability compensation and $28.11 monthly payments United States Government life insurance. Compensation payments suspended June 21, 1943, on death of dependent mother. Value of estate as of October 3, 1955, $29,433, which includes $17,255 from private sources. Present needs of veteran requires less than $200 per year. Estate will continue to increase in value each year, as income from insurance payments and investments will exceed considerably the expenditures. Potential heirs: A brother.

——— was a service-connected veteran of World War I, hospitalized at the Veterans' Administration hospital, ———, since March 1, 1933, and prior to that at the ——— State hospital, ———.

The veteran had a dependent mother, ———, who died March 27, 1944. Payments were discontinued under Veterans Regulation No. 6 (C) then in effect. At that time there was an estate of approximately $23,000. Disability-insurance benefits (U. S. Government life insurance) of $57.50 per month continued payable, together with the income from investments. Due to the relatively small requirements of the veteran, who continued as a patient at the Veterans' Administration hospital, ———, the estate continued to increase until the veteran's death September 5, 1954.

The veteran had had several brothers and sisters, and on his death the committee paid over an estate of $33,766.32 to two sisters as coadministratrixes of the veteran's estate.

——— was a service-connected veteran of World War I, hospitalized at the Veterans' Administration hospital, ——— since March 1, 1933 and prior to that at the ——— State hospital, ———. His sister, ———, was appointed successor committee after the resignation of his mother, September 14, 1934, due to advancing years. This veteran had no recognized dependents at any time.

Compensation was terminated after the veteran's transfer to the Veterans' Administration hospital, ———, in 1933, the estate at that time being approximately $11,000. Disability-insurance benefits (U. S. Government life insurance) of $57.50 per month continued payable together with the income from investments. Due to the relatively small requirements of the veteran, who continued as a patient at the Veterans' Administration hospital, ———, the estate continued to increase until his death, February 5, 1954.

The veteran had but one sister surviving (his committee) and on his death she paid over an estate of $33,756.92 to herself as administratrix.

——— was a service-connected veteran of World War I successively hospitalized at the ——— State hospital, the Veterans' Administration hospital, ———, and the Veterans' Administration hospital, ———. He outlived his committee appointed March 19, 1926, and on May 14, 1934, the ——— was appointed successor committee.

Dependent mother in Russia: The veteran had a dependent mother living in Russia, who was also under guardianship. She died January 1, 1936. Payments were suspended under Veterans Regulation No. 6 (C) then in effect. At that time there was an estate of approximately $9,300. Disability-insurance benefits (U. S. Government life insurance) at $26.99 per month, continued payable together with the income from investments. Due to the relatively small requirements of the veteran, who remained a patient at the Veterans' Administration hospital, ———, the estate continued to increase until the veteran's death August 5, 1950. The veteran had a sister living in Rhode Island, and on his death the committee paid over an estate of $15,540.82 as ancillary administratrix of the veteran's estate.

——— is a service-connected veteran of World War I who has been hospitalized by the Veterans' Administration since his discharge from service. He is now a patient at the Veterans' Administration hospital, ———. The ——— is now acting as committee, having succeeded the original committee appointed on February 7, 1920.

The veteran's estate amounts to $31,008.94, and consists entirely of Veterans' Administration funds.

Because of the dependency of his mother, compensation payments of $190 monthly were made until her death on June 27, 1954. United States Government life insurance payments of $28.60 monthly continue. In the past 5 years an average of $22 annually has been expended for the direct benefit of the veteran. The large size of this estate is due in part to the compensation payments made during the lifetime of the veteran's mother by reason of her dependency. Insurance payments and investment income will cause it to continue to increase.

The veteran's brothers and sisters, or their descendants, will eventually inherit a sizable estate.

The committeee holds an estate of $20,837.97, derived from compensation benefits of $181 monthly and insurance payments of $5.75 monthly. Expenditures for the direct benefit of the veteran are limited to $60 annually. Since the veteran is not maintained by the Veterans' Administration his monthly compensation cannot be reduced under Public Law 662. Since he is confined on a criminal order his estate is not liable to the State of ——— for maintenance, nor is there any prison reimbursement law in this State.

One hundred thousand dollar estate: As this veteran is only 36 years of age, it is possible that his estate may eventually exceed $100,000, to be inherited by brothers and sisters, or their descendants. This situation is not unique and pertains to competent as well as to incompetent veterans.

——— is a service-connected veteran of World War II who has been hospitalized at the Veterans' Administration hospital, ———, since August 6, 1948. The ——— was appointed committee on March 19, 1951.

The committee holds an estate of $8,362.92, consisting entirely of Veterans' Administration compensation payments. Compensation of $216 monthly is currently being paid because of the dependency of the veteran's parents, which was established in 1951. As only $35 monthly is forwarded to the dependent parents in Greece and only $100 annually expended for the direct benefit of the veteran, income exceeds expenditures by more than $2,100 annually. As a result, a large estate will be accumulated before the deaths of the dependent parents. This estate may eventually be inherited by the veteran's brother or other collateral relatives.

——— is a service-connected peacetime veteran who has been continuously hospitalized at the Veterans' Administration hospital, ———, since 1936. The ———, was appointed committee on April 20, 1936.

The committee holds an estate of $22,667.46, consisting entirely of Veterans' Administration compensation payments. Compensation of $124.40 monthly was paid only because of the dependency of the veteran's father until his death on November 14, 1949. An average of $150 annually is disbursed for the direct benefit of the veteran, an amount less than the income from investments.

Upon his death, the veteran's estate will pass to his numerous brothers and sisters or their descendants; brothers and sisters whose failure to support their father resulted in the accumulation of a large estate, consisting exclusively of Veterans' Administration benefits.

——— is a service-connected veteran of World War I who has been hospitalized by the Government since his discharge from service. He is now a patient at the Veterans' Administration Hospital, ———. ——— is now acting as committee, having succeeded the original committee appointed on April 14, 1919.

Income from investments $1,100 annually. The veteran's estate amounts to $45,761.60. It is divided entirely from compensation benefits and United States Government life-insurance payments. Because of the dependency of his mother, compensation benefits of $198.50 monthly were payable until her death on April 15, 1955. The insurance payments of $57.50 monthly continue. Approximately $100 annually is expended for the direct benefit of the veteran, although income from investments alone is in excess of $1,100 annually. A brother or collaterals may eventually inherit this estate.

——— is a service-connected veteran of World War I who has been hospitalized by the Veterans' Administration since his discharge from service. A committee was first appointed in 1918 and a sister, ———, is now acting as such.

The veteran's estate amounts to $27,064.63, and is derived entirely from compensation benefits and United States Government life-insurance payments. Because of the dependency of his mother, compensation benefits of $167.50 monthly were payable until her death on December 6, 1949. The insurance payments of $40.25 monthly continue. An average of less than $100 annually has been expended for the direct benefit of the veteran.

Surviving brothers and sisters or their descendants will eventually inherit a sizable estate derived entirely from Veterans' Administration payments.

——— a World War II veteran, born October 21, 1909, was admitted to Veterans' Administration hospital, ——— on October 4, 1943, for treatment of a service-connected disability. On May 22, 1947, a guardian was appointed for his estate, and through subsequent court proceedings, there is now a substitute guardian, ———. Disability-compensation benefits totaling approximately $10,000 were paid to December 3, 1952, when they were suspended due to death of his wife and the fact that his estate was in excess of $1,500. While the wife lived, she received from the estate about $4,200, while about $310 have been used for the veteran's incidentals at the hospital. The guardian's latest account shows a balance of $9,248.60,

of which a minor portion was derived from sources other than VA benefits. The veteran has no children or parents, and it is probable he will be survived by collateral heirs.

——— served in the United States Navy from March 17, 1919, to October 17, 1919. He suffered a service-connected mental disability and the ———, now the Merchants National Bank of Allentown, was appointed guardian on October 18, 1920. He was admitted to the VA hospital, ———, on May 9, 1931, where he died on March 30, 1952. A total of approximately $18,000 in compensation had been paid to the guardian until the benefits were discontinued when his dependent mother died on August 7, 1943. At that time the total estate approximated $17,000 and at his death it was about $22,000. The veteran's brothers and sisters as next of kin have received the estate.

———, a veteran of the Philippine Islands campaign at the beginning of the century, has been in and out of hospitals as a VA patient since a guardian was appointed for him on March 27, 1917. At the time of his death on November 22, 1955, there was $15,496.97 in his estate which was derived entirely from VA disability compensation paid during such time when there were no restrictions by reason of hospitalization or while he was not hospitalized. He has no heirs but there is now litigation in the hands of the United States attorney in ——— concerning a will he purportedly executed in 1940 while he was said by the proponents of the will to have had testamentary capacity. The beneficiary thereunder is a church ———.

Brothers in Sweden: ———, a World War I veteran, was under guardianship of ———, a ——— lawyer, from June 25, 1923, and was a VA patient from the approximate date of discharge from military service until the veteran died on March 11, 1955. Although disability-compensation benefits were suspended pursuant to then existing legislation on June 30, 1933, $8,423.75 in benefits had been paid to the guardian prior thereto. In addition the guardian received disability-insurance benefits of approximately $15,000 on the veteran's war-risk insurance policy. This sum, together with compensation benefits and earnings on both, brought the total estate to $38,270.60 at the time of death. These funds are being distributed to brothers and sisters in Sweden and Finland.

——— served in the United States Army from April 29, 1918, until November 23, 1919, when he was discharged and became a VA mental patient. On February 2, 1922, he was placed under guardianship which continued until his death on August 12, 1950. VA disability compensation was paid to the guardian until October 31, 1940, when it was established that checks payable to his wife by reason of apportionment of the benefits in her behalf could not be delivered to her in the U. S. S. R. and evidence as to her continued existence or that of their alleged child could not be secured. There is no other evidence that the veteran is survived by heirs capable of inheriting under the laws of ———. The total disability compensation paid amounted to approximately $15,000, whereas the balance of the estate at his death was $52,733.91. These funds are now in the hands of his administrator. This matter was referred to the Department of Justice for appropriate action leading to transfer of the balance to the general post fund under 38 United States Code Annotated, section 17–17a. The Commonwealth of ——— has also filed a claim for escheat under empowering legislation. In view of a recent decision of the Pennsylvania Supreme Court it is believed, however, that the United States will, in due course, receive the funds at such time as the court rules that there is insufficient evidence to warrant the conclusion that heirs actually did survive the veterans.

———, a veteran of World War I, has been a VA patient since September 25, 1922. On February 16, 1923, a guardian was appointed for him and on December 15, 1953, he died at the VA hospital, ———. A total of approximately $7,800 had been paid in disability compensation in the veteran's behalf from July 11, 1919, to July 31, 1930. The veteran was single and without dependents and it is established that his nearest relative at the time of death was a second cousin. The balance as shown in the final accounting of the guardian was $26,852.52. This matter has been referred to the Department of Justice in order to protect the interest of the United States and to effect the transfer of the balance to the general post fund, if it is found that he died without leaving heirs capable of inheriting. The question at issue was one of domicile. Since the claimant is a second cousin she would in all likelihood receive the funds if it could be established that the veteran is domiciled in the State of Maryland. The ——— Intestate Act bars claimants as heirs who have a relationship more remote than as first cousin. It is believed that the courts will rule that the veteran is legally domiciled in ——— and that the balance will be paid into the general post fund.

——— served in the United States Army from April 28, 1918, to May 31, 1919. He was declared insane by a ——— lunacy commission and on June 9, 1922, was committed to the ——— State hospital where he died on December 24, 1949. At the time of commitment a guardian was appointed for his estate and he was under guardianship at the time of his death. He was never a VA patient and disability compensation benefits were paid to his estate until he died. The total thereof amounted to $8,991.51. In addition he received adjusted compensation as a World War I veteran of $963. He was survived by a sister to whom the estate was eventually distributed.

Estate reverts to United States: ——— was in the United States military service from September 5, 1919, to September 4, 1922, and from October 7, 1922, to August 3, 1923. Although he was adjudicated an incompetent and a guardian was appointed on October 26, 1926, it does not appear that he was a hospital patient. His disability was considered service-connected and compensation benefits totaling $23,213.40 were paid to the guardian in his behalf until he died on March 6, 1949. The records indicate that he may have been survived by heirs capable of inheriting but thus far no proof of their existence has been submitted. The court awarded the distributive balance of $5,562.78, less miscellaneous costs, to the State treasury of the Commonwealth of ———, pursuant to the ———. It has been held not to be a determination of ownership but merely a deposit for safekeeping, pending establishment of the rights of other parties, if any. This matter is in the hands of the United States attorney who, it is presumed, will take such action at the proper time for effecting the transfer of the estate to the United States if it is determined that there are no heirs on the basis that the funds were derived through the Veterans' Administration.

———, a veteran of World War I, was adjudicated an incompetent on August 4, 1930, and a guardian was appointed for him on August 18, 1930. Disability-compensation benefits, totaling $2,014.01, were paid to the guardian effective from April 25, 1930, and were finally stopped on July 31, 1937, when the estate became in excess of $1,500 and the records showed that he was single, without dependents, and a VA hospital patient. The veteran died on September 19, 1950, while a patient at VA hospital, ———. An administratrix was appointed who received a balance of $7,726.03, of which all but $400 was derived from VA benefits, including disability insurance benefits on the veteran's United States Government life-insurance policy. Investigations were conducted from time to time to locate his next of kind but thus far they have proved fruitless. The Commonwealth of ——— submitted its claim for escheat which probably will be denied, in accordance with a recent decision of the ——— supreme court. The matter is in the hands of the United States attorney and is still in litigation.

Four brothers and sisters: ——— entered service on October 30, 1942, and was discharged on August 28, 1944. He was admitted to Veterans' Administration hospital, ——— ——— on August 29, 1944, where he remained until his death on September 18, 1955. By rating of September 11, 1944, he was held to be entitled to 100-percent disability compensation plus additional amount for the loss of use of both hands and both feet.

He received $265 per month from August 29, 1944, to June 13, 1945, the date of death of his dependent mother. His award was reduced to $20 per month from June 14, 1945, to August 7, 1946, since he was hospitalized and had no dependents. On November 18, 1946, his award was amended under the provisions of Public Law 662, 79th Congress, to pay full amount of award of $300 from August 8, 1946, to August 31, 1946, and $360 from September 1, 1946. The award was reduced to 50 percent on March 1, 1947, under the provisions of Public Law 662, 79th Congress, that being the first date of the seventh calendar month after the enactment of Public Law 662, 79th Congress. From March 1, 1947, to date of death, the veteran's award was as follows:

Commencing date	Total award	Veteran's share	Withheld under Public Law 662, 79th Cong.	Ending date
Mar. 1, 1947	$360	$180	$180	July 31, 1952
Aug. 1, 1952	400	200	200	Sept. 30, 1954
Oct. 1, 1954	420	210	210	Sept. 18, 1955

The total amount withheld and payable as lump sum accrued upon veteran's death was $19,336.

Since the veteran was not survived by a widow, child, or children or mother or father, the lump sum accrued was paid to four brothers and sisters. Each was paid one-fourth share or $4,834.

A review of the case file disclosed a photostatic copy of a last will and testament executed by the veteran on October 24, 1945, in which he stated in part as follows: That he devise and bequeath all of his estate, including any pension allowance which may be due or accrued to his benefit at the time of his death to his ——— sister, ———, and further stated he was making no provision for his other brothers and sisters for reasons best known to himself.

Summary of fiduciary accounts (fiscal year 1956)

Location	Total amount of receipts	Guardians' commissions allowed	Attorneys' fees allowed	Amount of estates						Amount embezzled or misappropriated	Amount lost on deposits	Amount lost on investments
				Total amount of estates	Invested in accordance with State law or VA regulations			Invested not in accordance with State law or VA regulations		Cash balances (funds on deposit in banking institution or otherwise not included in invested amounts)			
					General investments	U. S. Government bonds	Deposits in banks and other institutions in lieu of investments	Nonlegal or questionable	Illegal			
Total	$199,355,702.80	$4,484,112.25	$1,595,306.14	$543,599,044.38	$41,456,116.80	$337,891,312.75	$119,962,077.27	$32,294.34	$20,732.26	$44,236,510.96	$265,024.46	$2,653.42	$22,851.08
Veterans benefits office	2,784,309.60	45,993.44	13,750.60	8,054,126.90	993,751.63	4,421,216.70	1,971,577.91	0	0	667,580.66	0	0	0
Philippines, Manila	7,297,444.55	304,383.43	25.01	19,997,298.43	473,007.00	5,062.50	19,518,477.49	0	0	751.44	70,899.64	0	0
Regional offices, United States	189,273,948.65	4,133,735.38	1,581,530.53	515,547,619.05	39,989,358.17	333,465,033.55	98,472,021.87	32,294.34	20,732.26	43,568,178.86	194,124.82	2,653.42	22,851.08
Alabama: Montgomery	3,883,450.68	81,900.58	24,810.93	9,858,829.27	538,460.91	7,354,155.37	699,435.40	0	0	1,266,777.59	1,583.58	0	0
Arizona: Phoenix	1,244,834.96	17,646.84	8,082.09	3,136,168.45	140,180.57	2,204,488.27	781,284.58	0	0	10,215.03	3,336.63	0	21.90
Arkansas: Little Rock	2,499,730.92	74,140.45	22,045.94	5,994,374.01	455,871.23	4,538,653.67	100,993.40	0	496.89	898,358.82	0	0	0
California: Los Angeles	8,045,989.53	91,403.17	133,813.12	17,136,870.28	1,305,141.85	10,210,657.65	4,752,282.38	2,000.00	799.31	865,989.09	19,085.45	0	252.80
San Francisco	5,998,539.11	106,770.26	117,109.10	14,069,945.16	678,340.70	9,796,512.94	2,804,806.29	780.74	309.07	789,195.42	5,737.79	0	0
Colorado: Denver	2,146,631.95	61,655.31	9,040.59	6,933,824.62	124,993.13	5,762,082.98	561,221.05	0	0	485,527.46	1,075.99	0	0
Connecticut: Hartford	3,012,846.96	73,330.68	7,034.77	9,340,266.51	1,338,852.93	3,571,003.85	4,283,943.66	0	0	146,466.07	0	0	0
Delaware: Wilmington	251,050.24	7,186.28	322.16	1,088,636.33	483,242.29	324,045.33	275,237.70	0	0	6,111.01	0	0	0
Florida: Pass-A-Grille	4,194,848.91	76,733.30	26,758.14	9,350,005.45	1,024,296.10	6,162,147.90	1,383,997.78	0	0	779,066.39	7,804.69	0	0
Georgia: Atlanta	4,201,399.91	81,832.33	8,271.00	10,188,327.76	776,726.43	6,569,448.96	1,791,860.76	0	0	1,050,291.61	9,316.39	0	0
Hawaii: Honolulu	455,088.95	7,824.99	2,808.00	1,066,925.10	227,367.67	390,484.30	441,390.30	0	0	7,682.83	0	0	0
Idaho: Boise	843,133.29	19,033.23	1,663.61	2,907,231.03	128,098.15	2,380,523.90	252,911.23	0	0	145,697.75	487.15	0	0
Illinois: Chicago	10,221,170.14	297,117.30	119,267.45	30,062,006.60	523,998.58	25,988,301.00	242,954.10	0	149.18	3,306,603.74	0	0	0
Indiana: Indianapolis	5,236,441.04	144,303.43	82,397.00	18,432,614.41	207,619.00	13,759,385.11	1,846,705.45	5,906.36	0	2,612,998.49	6,232.93	0	221.91
Iowa: Des Moines	2,888,491.50	67,800.21	78,235.85	11,581,753.97	297,168.26	9,532,158.95	560,022.12	0	0	1,192,404.64	2,235.76	0	0
Kansas: Wichita	1,894,398.98	32,654.68	11,597.91	5,457,187.91	318,106.90	4,163,232.53	965,401.79	0	0	10,446.69	2,402.51	0	0
Kentucky: Louisville	4,125,569.28	104,469.76	7,770.84	10,063,381.21	1,024,957.01	7,513,261.82	240,789.82	0	0	1,284,732.56	6,639.80	0	0
Louisiana: New Orleans	2,037,524.86	50,330.37	7,464.38	4,927,431.48	216,272.43	4,059,325.04	644,276.19	0	2,196.78	5,361.04	503.30	0	0
Shreveport	1,367,882.99	34,593.87	1,165.90	2,101,298.74	98,677.37	1,531,894.44	185,971.04	75.90	0	284,679.99	531.89	0	0
Maine: Togus	1,126,119.20	22,021.65	4,528.35	2,873,158.28	300,681.54	1,833,855.15	603,659.20	0	0	134,962.39	2,653.48	0	0
Maryland: Baltimore	2,180,434.61	61,887.86	4,500.30	5,538,474.62	1,761,243.47	2,821,389.71	595,299.39	0	0	360,542.05	0	0	0
Massachusetts: Boston	8,121,204.03	167,828.86	91,842.83	16,309,331.14	1,771,928.52	3,928,097.78	10,581,540.10	0	0	27,764.74	11,712.20	2,000.00	169.58
Michigan: Detroit	6,724,151.84	170,441.06	12,593.11	18,918,476.27	804,132.33	15,313,035.51	22,592.05	0	0	2,778,716.38	502.00	0	0
Minnesota: St. Paul	3,374,987.21	103,314.82	26,018.67	10,153,562.51	152,424.22	8,995,828.67	34,569.60	0	0	970,740.02	307.36	0	0
Mississippi: Jackson	2,683,506.79	61,333.30	64,053.71	6,227,513.10	473,790.17	4,289,797.12	181,071.89	0	0	1,282,853.92	1,985.08	0	0
Missouri: Kansas City	2,110,982.13	38,887.96	17,892.88	7,957,569.90	100,971.57	6,841,103.38	248,520.23	0	90.00	766,884.72	1,755.38	0	80.13
St. Louis	2,801,726.89	56,248.24	24,328.73	7,448,797.47	324,343.57	5,686,620.62	220,501.60	0	0	1,217,331.68	4,183.84	0	0
Montana: Fort Harrison	649,616.66	15,323.20	14,849.78	2,259,215.75	39,848.51	1,699,969.49	0	0	3,500.00	515,897.75	0	0	0
Nebraska: Lincoln	1,434,828.31	39,304.12	10,740.00	4,461,380.81	190,919.24	3,597,811.58	15,955.90	0	428.28	656,265.81	450.48	0	0
Nevada: Reno	202,701.69	4,170.09	6,300.42	563,409.25	63,565.35	349,361.17	149,587.95	0	0	894.78	0	0	0
New Hampshire: Manchester	805,209.50	10,743.76	4,658.81	2,084,876.85	188,311.54	748,965.12	1,137,454.90	0	0	10,145.29	2,945.55	0	0
New Jersey: Newark	3,839,126.51	72,593.26	9,169.84	6,685,703.15	196,585.50	4,744,925.02	1,461,229.27	0	0	282,963.36	0	0	80.96
New Mexico: Albuquerque	1,323,567.53	2,161.29	3,056.76	3,651,768.93	76,920.92	2,767,159.56	99,777.25	0	0	707,911.20	5,242.31	0	0
New York: Albany	1,580,604.49	16,519.97	9,061.50	5,476,437.17	251,347.57	2,713,219.69	2,507,843.20	0	0	4,026.71	7,188.73	0	0
Brooklyn	5,865,843.87	83,773.41	42,521.87	19,484,476.22	985,738.13	3,850,206.81	14,438,832.77	0	0	239,698.51	0	0	137.83
Buffalo	2,633,046.33	63,391.78	18,123.94	9,650,642.25	1,837,519.35	5,143,336.93	2,232,635.98	87.90	3,103.95	433,958.14	2,482.50	0	1,390.15
New York	5,832,245.76	75,224.09	52,206.81	18,726,878.07	669,690.58	7,899,731.14	10,107,984.93	0	0	49,471.42	0	0	6,818.93
Syracuse	1,698,547.93	40,967.14	4,124.85	6,630,652.57	678,898.95	3,617,369.24	1,891,643.97	0	0	442,740.41	4,600.26	8.99	539.91
North Carolina: Winston-Salem	4,368,827.26	142,457.52	7,518.87	12,316,802.86	297,573.70	10,528,012.26	0	0	0	1,491,216.90	0	0	0
North Dakota: Fargo	760,056.46	21,488.58	7,508.26	2,689,084.45	28,206.08	2,404,532.81	94,911.15	0	0	161,434.41	695.15	0	0
Ohio: Cincinnati	4,733,031.93	114,306.58	56,138.61	13,195,220.88	366,865.17	8,547,303.69	3,099,109.62	81.35	2,003.55	1,179,857.50	3,687.09	0	0
Cleveland	5,104,473.96	111,227.52	48,559.61	14,659,219.81	314,740.24	10,121,462.31	3,373,651.18	0	3,076.16	846,289.92	2,352.37	0	0
Oklahoma: Muskogee	3,886,252.92	86,204.40	37,315.61	12,311,232.82	1,286,366.28	7,765,566.84	1,435,829.50	500.00	1,100.00	1,821,870.20	14,934.38	0	685.00
Oregon: Portland	2,096,831.82	47,449.82	44,397.57	7,149,682.71	905,123.25	4,431,729.80	1,197,118.60	0	0	815,711.06	4,515.59	0	0
Pennsylvania: Philadelphia	5,397,321.58	119,135.52	28,266.98	8,678,019.73	3,145,551.31	3,952,279.38	494,036.66	0	0	1,086,152.38	0	644.43	7,186.63
Pittsburgh	4,393,570.19	145,095.57	23,919.23	8,510,109.10	1,111,232.58	5,997,994.48	735,330.88	0	0	665,551.16	3,964.21	0	2,034.54
Wilkes-Barre	2,970,918.30	72,627.42	24,398.17	5,519,479.30	1,356,190.18	2,861,558.01	1,295,083.56	0	83.99	6,563.56	3,458.73	0	2,797.08
Puerto Rico: San Juan	1,642,457.48	24,477.96	2,025.85	2,971,620.30	265,447.89	1,368,471.00	1,337,150.02	0	0	551.39	0	0	0
Rhode Island: Providence	1,465,673.04	27,696.51	6,632.41	3,399,030.29	1,159,742.74	2,041,917.01	190,499.60	0	0	6,870.94	0	0	0
South Carolina: Columbia	2,494,497.83	59,134.27	4,675.04	6,326,580.02	1,887,711.69	3,174,222.24	358,732.05	0	680.00	905,234.04	5,621.49	0	0
South Dakota: Sioux Falls	622,038.48	18,666.24	5,676.72	2,509,968.60	40,872.12	2,240,673.16	16,094.02	0	0	212,329.30	2,725.81	0	0
Tennessee: Nashville	3,721,323.56	94,326.82	14,011.31	11,208,114.08	611,431.89	7,026,601.29	2,298,753.41	0	320.00	1,271,007.49	0	0	16.80
Texas: Dallas	3,576,390.53	48,630.86	34,525.18	10,290,892.67	2,033,405.52	6,351,647.38	695,322.64	0	0	1,210,517.13	4,542.46	0	0
Houston	2,137,418.61	15,795.86	21,890.34	6,559,127.23	669,912.92	3,927,571.42	888,480.72	0	0	1,073,162.17	5,677.65	0	0
Lubbock	1,529,253.32	18,542.28	17,093.93	4,615,282.12	410,888.10	3,026,481.32	661,934.16	0	1,297.82	514,680.72	911.93	0	0
San Antonio	1,859,804.72	24,640.55	15,550.37	5,334,875.56	423,408.49	3,245,327.18	1,061,085.90	21,615.42	0	583,438.57	114.98	0	8.00
Waco	1,813,537.45	29,561.19	11,871.26	4,922,159.71	438,700.19	3,144,264.25	567,164.65	0	0	771,940.62	1,928.59	0	0
Utah: Salt Lake City	872,627.67	15,386.94	5,682.65	2,334,254.34	235,312.86	1,542,530.70	419,040.23	0	0	138,370.55	1,800.57	0	0
Vermont: White River Junction	529,545.92	17,093.92	72.00	1,677,526.96	132,854.79	675,899.62	733,493.09	0	600.00	134,679.46	0	0	0
Virginia: Roanoke	2,781,994.65	86,547.35	1,883.10	7,940,896.49	1,046,854.80	5,306,863.05	931,090.19	0	0	656,088.45	1,111.65	0	0
Washington: Seattle	3,756,595.58	71,640.98	23,743.49	12,719,746.89	16,927.54	7,667,965.19	4,446,185.75	0	0	588,668.41	16,652.12	0	0
West Virginia: Huntington	2,805,294.61	98,540.06	8,222.39	6,875,109.95	32,735.75	4,891,797.76	975,220.99	0	0	975,355.45	6,447.02	0	408.93
Wisconsin: Milwaukee	4,039,592.72	81,546.45	38,871.54	10,923,950.74	985,459.32	7,607,185.74	1,794,949.35	1,246.67	0	535,109.66	0	0	0
Wyoming: Cheyenne	386,142.58	4,651.31	868.10	1,109,228.84	8,520.23	961,627.96	55,568.73	0	0	83,511.92	0	0	0

Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. SHUFORD] who is chairman of the subcommittee that gave very careful consideration to this bill.

Mr. SHUFORD. Mr. Chairman, I rise in support of the bill, H. R. 72, which seeks to control the funds now in certain guardianship estates of incompetent veterans and provide for the disposition of the same which are unpaid at the death of the intended beneficiary.

Both in the 84th and 85th Congresses it was my good fortune to serve as chairman of the subcommittee which considered this legislation. The bill in the 84th Congress, you will recall, was H. R. 10478 and it passed the House in the second session of that Congress. I think it should be stressed here that the subcommittee in both Congresses was unanimous in favoring this legislation. Also, the full committee was unanimous on both occasions with one exception.

It is well to keep in mind what we have reference to in this bill—what we are really doing. Now, an incompetent veteran, after the expiration of 6 months, having no dependents and being cared for in a Veterans' Administration hospital, has his compensation or pension withheld in all amounts above $30 a month or 50 percent of the compensation or pension, whichever is the greater. Further, there is a provision that where the estate has reached $1,500 or more, no further payments are made until the estate has been reduced to $500.

But we are not talking about such cases today. We are concerned primarily with a veteran who is incompetent—he may have a guardian or he may not. He may be one who is having his compensation or pension paid into an account called "Personal fund of patients" in the hope that someday he will become competent and able to use it.

Take, for example, the case of a veteran whose estate today amounts to $45,761.60. It is derived entirely from compensation benefits payable to the veteran. The veteran has been rated incompetent since World War I. His monthly compensation is $181. Approximately $100 a month is now required for the direct benefit of the veteran, and the balance has been building up over the years. Income from investments totals over $1,000 annually. This money is still under the control and direction of the Federal Government. Collateral heirs will receive this entire estate.

Another example is the case of a veteran hospitalized since June 4, 1925. He has been under the care of a guardian since November 9, 1921. He is service connected and rated 100 percent disabled. Monthly payments of $198.50 are being paid to his dependent mother who resides in Greece. The mother is past 90 years of age. The estate is accumulating by reason of the small payments required for his care, and over the past 10 years there has been expended less than $100 a year for the care of this veteran. This estate, upon the mother's death, will probably go to heirs in Greece who have not seen the veteran for over 30 years.

Still another example: This veteran drew service connected benefits from the date of his commitment to a State hospital in the year 1922 until his death in 1954, at which time his estate was valued at more than $30,000. After payment of administration costs a balance in excess of $30,000 was paid to the estate of his mother, who had survived him but whose death occurred before actual distribution of the veteran's estate. There is information of record to the effect that the mother remarried less than 30 days prior to her death and that this individual has received, or will receive, the surviving husband's share of her estate.

I could go on with many other cases, which, in some instances, are worse than those which I have already cited, but that is the sort of abuse which this bill aims to prevent.

I want to emphasize again that this bill provides for payment to the widow, adult or minor child, and dependent parents. Also, where a member of the veteran's family is paying for his care, the Veterans' Administration is authorized to make reimbursement for the money expended in behalf of the veteran. Let us not forget, however, that most of these cases, perhaps 80 percent or 90 percent, are being hospitalized at Government expense.

Following are statements made in behalf of veterans organizations—VFW and AMVETS:

STATEMENT OF JOHN R. HOLDEN, NATIONAL LEGISLATIVE DIRECTOR, AMVETS

H. R. 72 would prevent the payment of funds accumulated from Veterans' Administration benefits upon the death of a person under legal disability, to persons other than the spouse, children, or dependent parents of the deceased. The practical effect of this proposal, if enacted, will be to keep funds accumulated through monthly compensation, pension, or other benefit payments on behalf of incompetent beneficiaries from falling into the hands of persons having no interest in the welfare of the veteran during his lifetime.

This bill, H. R. 72, is identical with H. R. 10478 of the 84th Congress which was passed by the House of Representatives on July 23, 1956. The report accompanying that bill, Report No. 2584, revealed that at that time the total value of estates of beneficiaries under guardianship of one sort or another approached one-half billion dollars. The report also cites approximately 40 examples of large estates being left to distant relatives. These illustrations vividly portray the desirability of corrective action. AMVETS endorse the intent of this bill and urge its favorable consideration by your committee.

STATEMENT OF FRANCIS W. STOVER, COUNSEL FOR LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS

H. R. 72, which is a little more technical than the other two, does provide for the disposition of certain benefits which are unpaid at the death of the intended beneficiary.

The long experience of the Veterans of Foreign Wars has been that most benefits should be paid directly to the veteran himself or his immediate dependents.

It is noted that this bill here takes care of those who are within the immediate dependency of the veteran. And certainly we would not endorse the paying of benefits intended for a veteran to be paid to some collateral relative who had no interest in the veteran during his lifetime.

So the Veterans of Foreign Wars is on record as favoring in principle, H. R. 72.

The following is an excerpt from the April 1957 issue of the American Legion magazine:

WOULD RESTRICT INHERITANCE OF ACCUMULATED GOVERNMENT BENEFITS OF INCOMPETENT VETERANS

Another Teague bill (H. R. 72) proposes that unspent Government veteran benefits held in trust for incompetent veterans must go to a restricted class of immediate dependents, on the death of the veteran. Lacking such close relatives, they'd revert to the Government. If nothing else, this is an interesting and complicated subject. Such benefit checks at present go to the estate of the deceased veteran, finally passing on, in some instances, to heirs who neither rendered the service to the Government for which the benefits were paid, nor were ever remotely dependent upon the deceased veteran. Sometimes accumulated thousands of dollars in compensation payments pass on to 11th cousins from Timbuktu by this process, and it is TEAGUE'S reasonable view that this is an unintended use of veteran-benefit appropriations.

Representative TEAGUE anticipates that control of such sums already in trust, having been paid out under existing law, might be contested in court battles with the outcome questionable. He is more confident that future payments, if H. R. 72 were enacted, could be so controlled. Total veteran benefit payments held in trust for incompetents or minors is nearly half a billion dollars, not all of which would be affected by H. R. 72. American Legion rehabilitation commission has approved H. R. 72.

I submit that this is a reasonable and fair proposal. It will undoubtedly save millions of dollars for the Federal Government. At the same time all veterans who are entitled to their pension or compensation will be fully protected, as will their dependents. When the law was enacted many years ago, the Congress did not foresee that estates such as have been permitted to accumulate would ever occur.

I hope that this bill will be passed and speedily enacted into law. It is essential that we take prompt action to correct admitted abuses in the veterans program if we are to continue to merit the confidence of the Congress and the American people.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield.

Mr. MILLER of Nebraska. The gentleman refers to collateral relatives getting the estate when the incompetent dies; do I understand that if he has no mother, no father, that his brothers and sisters are not collateral relatives and are not entitled to the residue of the estate?

Mr. SHUFORD. Not under the provisions of the bill. I use the expression "collateral relatives." That would cover brothers and sisters. The bill however provides for payment to dependent spouses, and I think an amendment is to be offered striking out the word "dependent." It does not include brothers and sisters. Under the terms as I used it collateral would be brothers and sisters.

Mr. BRAY. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield to the gentleman from Indiana.

Mr. BRAY. There are several parts of this bill that, frankly, I do not understand. Does this apply to money already in the hands of the guardian that has

been paid, or does it merely apply to money that the Government has held and has never paid to the guardian?

Mr. SHUFORD. I would like to be corrected if I am wrong, but I think it applies to money that has been paid to the guardian and also to money withheld by the Federal Government. You will find that the money has been held by the Federal Government in this personal fund or by the hospital itself. That money is for the benefit of the incompetent.

Mr. BRAY. Correct me if I am wrong. Is it a fact that some of the money will be held by the guardian and some of it by the Federal Government and never turned over to the guardian? Is that correct?

Mr. SHUFORD. That is correct.

Mr. BRAY. There is another question that gives me some concern about the money held by the guardian. I well understand how the money that has not been turned over to the Government can be handled, but the average guardianship receives money from several different sources. That has been in existence, as you know, for some time. I notice here you say "emergency officers' retirement" is included in these funds to go back to the Government, but you say nothing about the regular officers' retirement. Why is that difference made?

Mr. SHUFORD. I am not exactly sure. That is some obligation that has already been credited to the regular officer or that has constituted a payment to him prior to his death.

Mr. BRAY. No. There are two types of retirement, especially in World War I. There was the regular officers' retirement and there was your emergency officers' retirement. In neither case did the officer pay anything into that fund. You indicate the officers' retirement, but not the regular officers' retirement. Do you know why that was left out?

Mr. SHUFORD. I am sorry; I cannot answer that question, but I will find out.

Mr. BRAY. It is a rather important matter.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. The reason that we did not take that into consideration was because we were only considering payments which are made by the Veterans' Administration.

Mr. BRAY. I see. Then, along the same line, I want to find out something that the report does not cover. Let us refer to insurance. An officer or an enlisted man, a veteran, has insurance that he has paid for himself in the Prudential Life Insurance Co., for example. Does that go back to the Federal Government in any way?

Mr. SHUFORD. No; not under this bill.

Mr. BRAY. Let us say he had war-risk insurance from World War I for which he paid.

Mr. SHUFORD. That is also excluded by this bill. That does not come under the bill.

Mr. BRAY. How are you going to figure the money in the hands of a guardian, not the money all held by the Federal Government, but, let us say, money in the hands of a guardian, part of which he received from insurance that he paid for, part of it he received from a pension from the Government, part of it he received from inheritance, part of it he received from one source or another, all of that going into the hands of the guardian; and expenses are paid out of the guardianship, various and proper expenses. Now, how are you going to determine when all that money is in the hands of a guardian, during a period of 20 or 30 years, what part should go to the heirs, excluding the Government money? How are you going to figure all that out?

Mr. SHUFORD. I do not think that would be too difficult an administrative problem. The guardian keeps an accurate account of the funds he receives; also he keeps accurate account of his disbursements for expenses and disbursements for investment. You must remember that when the estate, under present law, reaches $1,500, then the payments are stopped until it is reduced again to $500.

Mr. BRAY. I understand that, but in a way that is going to make it more difficult. What I am saying is this: You receive money from various sources, some of which, through this bill, you know, can come back to the Federal Government; some will not. Then there are expenditures over a period of years.

Mr. SHUFORD. I think the gentleman will find that those expenditures will be cared for by the Federal Government, since the veteran is in a Government hospital, 99 out of 100 times the payments are made direct to the hospital for his care. If he is incompetent, he has no use for a large amount of funds. There is one case here where we found that the only amount he had use for was $100 a year.

Mr. BRAY. I understand how that will work in some cases, but I am talking about a case where for part of the time he was out of the hospital, then he went back into the hospital and died in the hospital. How are you going to prorate the amount of money he received from the Government for his expenses to determine what percentage of that money goes to his heirs and what part goes back to the Federal Government?

Mr. SHUFORD. As long as he is in the hospital, the Federal Government will be paying his expenses to the hospital, and then if he comes out, he is allowed so much each month for his upkeep and his care. And, I think a competent guardian would have no difficulty at all in separating the funds. He does not have to commingle the funds. He can keep the funds of his estate other than the gratuities separate, if we are permitted to use that word, that he received from the Federal Government. This money is being paid for personal services that he has given to the Federal Government and is not for services for any member of his family. This is a recognition by the Federal Government of his services and his services alone.

Mr. BRAY. I recognize that, and, frankly, I am not opposed to the bill. But, I am trying to put myself in the position I have encountered, and most of the lawyers here have, as an attorney for a guardian in a situation such as this. What I am trying to do is to clarify it. Let us say the man had $10,000 in his estate when he went to the veterans hospital. Part of that money he got from compensation; part of the money he got in many other ways. Many expenses have been paid, but there is a balance of $10,000. Then he goes to the hospital 5 or 10 years later and he dies. At that time there is a substantial amount of money in the estate. How are you going to decide what part of that money goes to his regular legal estate and what part goes back to the Government?

Mr. SHUFORD. As far as I can see, as long as he is receiving funds from pensions or from compensation, and he is not incompetent, he has not been adjudged incompetent, that constitutes his personal estate. But, the minute he is judged incompetent and goes into an institution for that purpose, then the funds are paid into the personal fund or the hospital or the guardianship account, and that money can be separated from his personal estate which he had while he was competent. I think that the money he received before he was declared incompetent under this bill will be his own personal estate.

Mr. BRAY. I can see how you can take care of it from now on; I am not questioning that. But, remember this, many people are judged incompetent, and the guardianship goes on for years before he ever goes to an institution. Some of those have a great deal of income. Some are moderately wealthy. I know of an instance where some real estate was purchased in the thirties. Today that real estate is worth 10 times what it was then. What I am worried about is that you are going to run into a most difficult situation unless this is clarified. That is the reason I am asking these questions, in order to clarify the situation.

Mr. SHUFORD. I appreciate the gentleman's asking the questions and I have tried to clarify the situation.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield to the gentleman.

Mr. ADAIR. Is it not a fact that it is contemplated that the decision as to the division of these funds will be one arrived at by the Veterans' Administration; and that it is anticipated that they would charge all expenses to the gratuities, to the extent that the gratuities would take care of them?

Mr. BRAY. Would that be done on a pro rata basis?

Mr. ADAIR. No. It is my understanding that it would be charged wholly to the item of gratuities insofar as they could be taken care of in that way.

Mr. BRAY. How about real estate that cost $5,000 that is now worth $30,000 which is really part of his guardianship? Does that go to the Federal Government?

Mr. ADAIR. I am sure that if there were any basis for the Veterans' Administration to find that that real estate had

been purchased out of the veteran's own funds, there would be every disposition to treat it as his own funds.

Mr. SHUFORD. I think under the bill itself that his personal funds if enhanced would constitute his personal estate. However, as to these payments made by way of pensions and compensation, they would be returned to the Federal Government.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield to the gentleman.

Mr. LAIRD. I appeared before the gentleman's subcommittee at the time H. R. 72 was up for consideration and presented a problem which I thought was somewhat unique to the State of Wisconsin. We, in Wisconsin, have a Veterans State Home, located at King. The guardianships of the estates of these individuals have been turned over to the State of Wisconsin when these veterans have been residents of the State home and there were no heirs, as listed in the previous bill. It is my understanding, and I want to find out if it is correct, that the procedure used by Wisconsin your committee found to be in error?

Mr. SHUFORD. No. I think the gentleman will find that the committee felt that that was giving Wisconsin a preference over the other States in the Union that did not have such a provision and that it was contrary to the intent of the Federal Government that the State of Wisconsin should have money escheat to it that had been paid by the Federal Government to veterans as compensation or a pension. Such sums which were paid by the Federal Government, instead of being returned to the Federal Government as this bill provides would have been turned over to the State of Wisconsin. The committee considered the question. It was well presented to the committee. But the committee rejected it because they did not think it would be proper in this case.

Mr. LAIRD. Mr. Chairman, will the gentleman yield further?

Mr. SHUFORD. I yield further.

Mr. LAIRD. I wonder if the committee gave any consideration to the proposal of allowing the State home to be reimbursed out of the assets of the estate for the cost of caring for and maintaining the particular veteran involved?

Mr. SHUFORD. As I remember it, the State was compensated for the care of the patient while he was in the hospital. This had to do only with funds that came about at the death of the veteran. Wisconsin received full compensation. This bill provides that the expenses incurred in behalf of the veteran will be paid.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield to the gentleman.

Mr. FORD. In the case of most State homes—I think Wisconsin is one of them—the Federal Government pays 50 percent or up to $750 annually for the care of veterans.

Mr. SHUFORD. That was my understanding.

Mr. FORD. I know that to be the case because I have a State home in my own Congressional district and the Federal Government does pay 50 percent or up to $750 a year. So the State of Wisconsin or the State of Michigan would not have any more than a 50-percent charge at the most against the estate.

Mr. LAIRD. They could have a 50-percent charge, however, against the estate. There seems to be no reason why the full amount should not be recovered from the estate. Of course, the gentleman has just stated that the full expenses can be taken out for taking care of the veteran.

Mr. SHUFORD. The bill provides for expenses being paid by the administration.

Some mention was made a few minutes ago that there is no provision in the bill for the funeral expenses. On page 4 I think provision is made for the full administration of the estate, and all of you are familiar with the fact that funeral expenses are expenses in the administration of an estate.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield to the gentleman from Maryland.

Mr. HYDE. It is an accepted principle of law that when a gift is made either to a person or to a guardian or administrator for that person title to that property passes to the beneficiary of the gift. Can the Government constitutionally take that property back, in the first place, and in the second place, how can that constitutionally change the State laws in relation to inheritance taxes?

Mr. SHUFORD. We recognized that in the study of the bill. If the gentleman will refer to the hearings, he will find that the great majority of this money, in fact, most of it, is never paid by the Federal Government, it is still held by the Veterans' Administration and would be paid except for the incompetency of the veteran.

Mr. HYDE. But it is paid to some official of the Veterans' Administration for the benefit of the incompetent veteran, is it not?

Mr. SHUFORD. It is simply held by the Veterans' Administration in the event of recovery of the veteran, so that it would be paid to him at that time.

Mr. HYDE. I know, but the bill provides that if there is any money in the hands of a guardian, curator, conservator, or person legally vested with the care of the beneficiary or his estate, you are going to take back the property given to such person.

Mr. SHUFORD. That is paid for the benefit of the veteran.

Mr. HYDE. That is right.

Mr. SHUFORD. There may be some legal questions that would arise on that. We thought it would be much better to bring the bill in with that purpose in there so that the money could be returned to the Federal Government, for it was solely for the benefit of the veteran and was not used for his benefit. It is true that only a certain portion of the funds is ever paid to the veteran. There has never been a complete payment or a gift to the veteran, but the money is withheld.

Mr. ADAIR. If the gentleman will yield, in answer to the question of the gentleman from Maryland it seems to me that there is a legal question here on the point the gentleman makes. However, there are sufficient authorities, and the gentleman will find reference to some of them in the report.

Mr. HYDE. I have read those references in the report, and none is in point.

Mr. ADAIR. There is sufficient authority to constitute sound legal opinion to the effect that this is a constitutional enactment.

Mr. HYDE. Your own report states that it is not suggested that the preceding instances are directly in point.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield to the gentleman from California.

Mr. ROOSEVELT. May I refer the gentleman to page 3 of the report, where the benefits in the bill are listed as five in number. No. 5 is listed as retirement pay. My question is, How can retirement pay be listed as a gratuity?

Mr. SHUFORD. It has been held by the Government to be gratuitous payment. To be very frank with the gentleman from California, I do not like to use the word "gratuity" in connection with a veteran. I think it is a payment that is made by the Federal Government purely for the personal service of the veteran himself.

Mr. ROOSEVELT. I thank the gentleman. I have some question as to whether that should remain in the bill.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield to the gentleman from Oklahoma.

Mr. ALBERT. If the guardian of a veteran invests the funds and there are emoluments, do those belong to the Government or the veteran?

Mr. SHUFORD. I should say they would have to be distributed or paid according to the terms of this bill if they were payments made by the Federal Government, either pensions or compensation.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. The gentleman from California asked one question in which I was interested, in regard to retirement pay. Would the gentleman from North Carolina explain to me what is meant by "emergency officers' retirement pay," which is shown on page 3 of the report as one of the five categories of benefits affected by the bill?

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield to the gentleman from California.

Mr. SISK. I believe that is a World War I act, with reference to an act providing for the payment of certain special funds.

Mr. BASS of Tennessee. What about the "servicemen's indemnity"? What do you mean by that?

Mr. TEAGUE of Texas. That is the $10,000 of free insurance which was given to the veteran when he went into the service.

Mr. BASS of Tennessee. Do you mean that this is the $10,000 that the veteran

was given as insurance and it is to be returned under this bill?

Mr. TEAGUE of Texas. That is, if he dies and he does not have any dependents, it will go back to the Treasury of the United States where it came from.

Mr. CRETELLA. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield.

Mr. CRETELLA. I think the gentleman has said that the money stays in the Treasury of the United States.

Mr. SHUFORD. It is in the Veterans' Administration.

Mr. CRETELLA. Mr. Chairman, the gentleman has said that this money stays in the treasury of the Veterans' Administration or in the funds of the Veterans' Administration.

Mr. SHUFORD. It is in the personal fund of the patient.

Mr. CRETELLA. Can the gentleman tell us how many such estates are involved and how much money is involved?

Mr. SHUFORD. I think I am correct in this amount—it amounts to about $500 million. Is that correct, may I ask the chairman of the committee?

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield.

Mr. TEAGUE of Texas. As of June 30, 1956, there were 348,038 guardianship cases, 237,751 were minors and 110,287 were incompetents. Just what percent of those incompetents have dependents, we did not go into that because we could not.

Mr. CRETELLA. How much money does that involve?

Mr. TEAGUE of Texas. It involves about $560 million.

Mr. CRETELLA. In this bill on page 2, there is a provision, as I understand it, that the money from any particular estate which escheats to any State of the Union under this bill would revert to the Federal Treasury and the States would be deprived of the money which would legally escheat to the State under State law; is that correct?

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I am glad to yield to the gentleman.

Mr. TEAGUE of Texas. Where there is a conflict between the State statute and the Federal statute, the Veterans' Administration says and I quote:

> It is the position of the Veterans' Administration that under the circumstances, recited in the Federal statute, such Federal statute prevails over the State law and that the funds escheat to the Veterans' Administration (United States). This view is supported by court decisions involving statutes of other States somewhat similar to that of Wisconsin.

Mr. CRETELLA. So what this bill now does is to deprive all the States of the Union of the right of escheat which they now have because this will supersede their State laws.

Mr. TEAGUE of Texas. No, the States do not get it today whether this bill passes or not. The States do not get that.

Mr. CRETELLA. It does not give them the particular amount of money in this bill, but it does give them the estates that escheat to the State in any particular State under the provisions of the State law whether it is Veterans' Administration money or other money.

Mr. TEAGUE of Texas. Not the veterans' benefits.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield.

Mr. FULTON. A peculiar thing is happening if money in guardian estates goes back to the Federal Government while, if the guardian has been foolish and gotten rid of the money, then it will not go back. So why does not this penalize the thrifty guardian and if it is in a guardian estate, it will be taken back, but if the veteran or his guardian has given it to somebody else, not for any consideration, it will not go back? Why should not the estate go according to the laws either of the State or the veteran's will or the intestate laws when there is no will.

Mr. SHUFORD. Let me answer the gentleman in this way. The moneys are paid to the veteran and for his benefit. They are not paid for the benefit of any other person. It is in appreciation of the services of the veteran during his service in the Army. If the veteran has not accumulated any estate himself, and the veteran is an incompetent and has been unable to accumulate anything, the Federal Government has held the money or put it into a guardian account purely for that individual and not for the collateral heirs or for anyone else. It is true, if he needs the money, it is paid to him. It is not for the benefit of someone else. It is not for the purpose of speculating to build up an estate for his brother or his sister or any other individual. It is for the use of that individual and it is given to him by the Federal Government. When he has no use for it, when he is dead, then that money is returned to the party who gave it to him, and I think that is proper. I think that the veterans' program has probably been criticized because of matters just like this. These payments by the Federal Government are for the benefit of one individual and that money should not be taken and used to enhance the estate of someone else. I think that is wrong.

Mr. FULTON. It brings up the point as to when does title pass; either to the veteran, or to his guardian. Once the title is passed, then that title is protected.

Mr. SHUFORD. I agree with the gentleman that there are some legal questions that have to be decided, but I think we are establishing a principle here, that this money is to be given to the veteran for his benefit. If there are some legal entanglements later on they will have to be decided in each individual case. It does involve some administrative difficulties, I agree, but I think the principle is correct, and that we should pass the legislation.

Mr. FULTON. Are we not penalizing the fellow who has become more completely disabled, because when they cannot get it then the Federal Government grabs it back again.

Mr. SHUFORD. No. Suppose he became competent, then he gets the advantage of the estate that has been made for him.

Mr. FULTON. But when he is dead, why penalize him more?

Mr. SHUFORD. We do not penalize him.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. SHUFORD. I yield.

Mr. ADAIR. The gentleman from Pennsylvania [Mr. FULTON] asked if this legislation would not tend to cause the improvident handling of veterans' estates. I think we have adequate safeguards because guardianships are handled and supervised by the courts under State laws. These laws will not permit the guardian or conservator to dissipate unwisely the assets held in the guardianship. I think that is the answer to your question.

Mr. FULTON. But it is not an answer. When a guardian spends the money out of a total fund, how are you going to marshal the assets against those expenditures? You cannot tell what they have been spent for, because it may be in one bank account.

Mr. ADAIR. The answer has already been given that in the first place it is the province of the Veterans' Administration to make that breakdown. Secondly, the guardian is required to keep records from which such determination can be made.

Mr. SHUFORD. Mr. Chairman, I think this is about as much time as I should take. Others may want to speak. I do say that the veterans' organizations support this legislation. There were certain amendments that they desire to have put in, which I understand will be put in at a later time.

Mr. FULTON. Will the gentleman yield for one further question?

Mr. SHUFORD. I yield.

Mr. FULTON. Why, when this law is passed and it becomes apparent to this guardian that if they do not spend it the Government will get it, why will they not spend this money? So this bill is aimed at getting improvident use of the money.

Mr. SHUFORD. No, because under the provisions of the law the estates cannot get over $1,500.

I yield back the balance of my time.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield myself such time as I may desire and of my time yield 4 minutes to the gentleman from Minnesota, Mr. H. CARL ANDERSEN.

Mr. H. CARL ANDERSEN. Mr. Chairman, the gentleman from Indiana [Mr. BRAY] brought out a very essential point in this debate, and may I call to the attention of the committee on page 1515 of the hearings a statement by Chief Attorney Shupienis of the Veterans' Administration Center at Fargo, N. Dak. If you will study these reports from the various chief attorneys you will see how most of them anticipate considerable difficulty in the administration of this bill, if it should become law.

Mr. Shupienis makes this statement:

> If there should be no survivors in the named classes to receive the VA estate, but there are other heirs or next of kin entitled to succeed to the decedent's property under general succession laws, I believe legal proceedings would be commenced in almost

every such case in order to segregate the assets derived from VA benefits and those from private sources. This situation would, of course, be magnified in any case where the decedent left a will, for which no provision is made in the proposed amendment.

Remember that we are possibly dealing here with the estates of 113,000 incompetent veterans. We will throw out of consideration at this time the two hundred thousand minors, but many of those may fit into this same category.

If this bill passes, Mr. Chairman, it will mean that practically every one of these guardianships will have to go through tedious courses in the courts of the land. I, as administrator of my brother's estate, for example, could not, according to law, turn over a large portion of his estate to the Veterans' Administration without being assured that I would not be held liable personally for any claims against me for that estate which I have administered for 36 years.

Let me quote another statement with relation to the responsibility of the fiduciary. This is by Mr. McClive, Chief Attorney of the Veterans' Administration Regional Office at Buffalo, N. Y. I am quoting from page 1312. He states:

No fiduciary worthy of the name would turn over the assets until it had accounted to and been discharged by the court, particularly where there are private assets, other benefits, insurance, and earnings or investments to be segregated.

Can you not see, Mr. Chairman, the horrible mess that we will put this entire structure into if we turn over to the courts eventually the adjudication of all of these 113,000 estates?

Why should any man want to be a veteran's guardian and take care of his interests, knowing that at the end of that time a large part, if not all, of the estate would revert to the Government on the death of the veteran? It would be, as I stated, purely a lawyer's paradise and an accountant's garden, and we would see money squandered in every one of these estates. This bill should be recommitted for further study.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I have a very high regard for the members of the Committee on Veterans Affairs, but it seems to me that this is the most unkind bill—I do not like to say that—for veterans that has ever come up for consideration. We are hurting the veterans who cannot fight for themselves, veterans whose minds are astray. They have no protector if this bill goes through. They will not have had the protection of the Congress of the United States. They will not have had the protection of our Committee on Veterans Affairs which was created to help the veteran.

It is plain to me that we cannot amend this bill properly on the floor. I am thinking of the various legal lights who have spoken. Later on I am going to recommend that the bill be recommitted to the committee. I have certain amendments ready for introduction but they will not correct all the injustices in the bill.

Retirements, pension and other compensation paid by the Government are called gratuities. I am wondering if today we are feeling that the veterans are just a burden, that you the veterans on the floor here who fought and who were injured and wounded for us are considered just burdens, that we should give more to foreign countries to take care of them.

It has been said that Members want to get through and want to go home. I would like to go home, too, but we are legislating today for people who cannot go home, people who are incarcerated in mental hospitals. Some of them never go outside their wards.

Mr. Chairman, I would like to leave with the committee a few thoughts on the bill.

Mr. BAKER. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Tennessee.

Mr. BAKER. It seems to be conceded by all concerned that title to this money passes from the United States of America. Title has passed. And there are some good lawyers on this committee. As a lawyer I would like to find out how the United States Government can reach in by statute and take back money where title has passed.

Mrs. ROGERS of Massachusetts. That is the contention of the Veterans' Administration and I am going to quote from them in a minute.

Mr. BAKER. I thought I was making it apparent that there is a most serious doubt in my mind as to the constitutionality of an attainder or reaching in and getting money, which is prohibited by the Bill of Rights.

Mrs. ROGERS of Massachusetts. The Attorney General, the Veterans' Administration and the Comptroller General have all held that it is unconstitutional. In the future something might be passed to take, as the gentleman said, this money, but to take away his money now from him and his dependents is unconstitutional. The gentleman has raised an excellent point.

This bill is a very complex legislative proposal which involves many serious legal, technical, and administrative considerations. It would make sweeping changes in existing law of long standing. It would invade an area of legislation which traditionally, and under the Constitution, has been generally reserved to the several States. It would impose new and restrictive conditions upon the disposition of an individual's estate, including funds and property which have been accumulated over a period of years prior to enactment of the bill. This would appear to be an infringement of basic property rights.

Both the Veterans' Administration and the Department of Justice have questioned the constitutionality of the retroactive provision of the bill which would attempt to take back actual payments made in past years to guardians and other fiduciaries of incompetent beneficiaries without the restrictive conditions which this bill, for the first time, would now seek to impose upon them. Moreover, the Comptroller General, in view of the doubts which have been expressed as to the validity of the retroactive provision, has suggested the desirability of making the bill apply only to future payments.

It seems obvious that the legal question already raised with regard to the constitutionality of the retroactive provision in the bill, and many others which would arise out of the confusing and complex Federal-State conflict of interests which would result from enactment of this measure, could only be resolved by the courts, and then only conclusively by the Supreme Court of the United States. The far-reaching and adverse effects of this legislation upon the claims and interests of so many undoubtedly would cause a multiplicity of suits to test its validity. Such time-consuming and expensive litigation would not only be burdensome upon all the parties involved—including the United States—but the uncertainties created by such legislation, which might not be resolved for several years, would make the job of administering the law most difficult.

Apart from the basic legal considerations mentioned, this proposal raises a serious question with regard to Federal-State relationships in an area of mutual concern. One of the outstanding examples of Federal-State cooperation in the administration of a Federal program in which the States have an important responsibility is the Veterans' Administration Guardianship Program under existing law which this bill would change. Chief attorneys of VA regional offices assist State courts to safeguard the estates of minors and incompetents entitled to VA benefits. The Uniform Veterans Guardianship Act which has been enacted in most States in effect makes such chief attorneys an arm or agency of the State courts in supervising the administration of the estates of VA beneficiaries under guardianship. It would be most unfortunate if the harmonious and effective relationship long existing between the Veterans' Administration and State courts and other State law officials were disrupted by the enactment of Federal legislation which undoubtedly will be viewed by the States as a curtailment of their jurisdictional prerogatives as well as an invasion of individual property rights.

The purported purpose of this bill is to prevent the distribution of estates derived from payments of VA benefits in behalf of incompetent beneficiaries to remote heirs or distant relatives of such beneficiaries upon their death. It is contended that, under existing law, large amounts have been paid to aunts and uncles, nieces, and nephews, cousins, and other more remote relatives who, in most instances, demonstrated no interest in the deceased beneficiary during his lifetime. It should be noted, however, that the bill would not only cut out such relatives but would also eliminate mothers and fathers who could not prove that they were dependent upon the beneficiary, and would eliminate grandchildren and brothers and sisters from the eligible classes of heirs. It goes without saying that these last-named relatives could scarcely be described as remote kin or distant relatives. Quite often in the case of a person who is in an institution because of a mental disability, it is a brother or a sister who will show the

most concern for his welfare, who will visit him regularly, and who may, at great personal sacrifice, provide him with extra comforts beyond the normal care furnished by the institution. A close and strong bond of kinship and affection normally exists between brothers and sisters and is most often demonstrated when one of them has suffered illness or other adversity. Yet this bill would fail to distinguish between such close relationships and those of much more remote degree.

This bill would not change existing law—Public Law 662, 79th Congress—which includes brothers and sisters among the classes of heirs eligible to receive payments which have been withheld by the Veterans' Administration from hospitalized or domiciled veterans upon the death of such veteran. But it would exclude brothers and sisters from the survivors eligible to receive payments which have actually been made and have become a part of the estate of the beneficiary. What a paradox that would be.

I had intended at the appropriate time, to offer amendments designed to correct some of the most objectionable features of the bill, namely, the retroactive provision and the severe limitation on the classes of eligible heirs, which are as follows—but I am of the opinion that a straight recommittal is best:

On page 2, line 23, after the comma, insert "and any such funds derived from compensation, dependency and indemnity compensation, pension (including pension under private acts), emergency officers' retirement pay, or servicemen's indemnity paid by the Veterans' Administration before the date of enactment of paragraph (5) of this section."

On page 3, line 20, strike out "before or."

On page 2 strike out all of lines 13 through 16 and insert in lieu thereof the following:

"(C) The grandchildren in equal parts;

"(D) The mother or father (as defined in paragraph VII of Veterans Regulation No. 10), or, if he has both a mother and a father, to them in equal parts;

"(E) The brothers and sisters in equal parts;

"(F) The grandparents in equal parts."

What a paradox. What an extremely cruel paradox, because the men in the hospitals, under the provisions of Public Law 662, 79th Congress, would know their estates would go to their families. While these poor mental souls are incarcerated in hospitals—and I wish every Member here would spend a month in a veterans' hospital and watch them and talk to their families—they will have their estates taken by the Federal Government. If they did, they would realize a little more of the problems involved. We are being extremely cruel, it seems to me, to the veterans who cannot fight or speak for themselves.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman.

Mr. H. CARL ANDERSEN. Mr. Chairman, I would like to call the attention of the committee to page 38 of the report, where is to be found a communication from the Administrator of Veterans' Affairs, Mr. H. V. Higley. Let me read just a sentence of what Mr. Higley has to say. This is in reference to the gentlewoman's contention as to the possible unconstitutionality of the retroactive feature of the bill:

Notwithstanding our strong sympathy with this aim of the legislation, it is necessary again to raise the serious question which was presented in the prior report on H. R. 10478, 84th Congress, concerning the retroactive feature of the bill. It would purport to reach payments made to guardians and other fiduciaries and accumulated, in many cases, over long periods of time prior to enactment of this proposal. It is still the view of the Veterans' Administration that the validity of the proposal would be highly questionable.

Mrs. ROGERS of Massachusetts. This is not a just bill and takes unfair advantage of the veterans and their dependents.

Mr. Chairman, I reserve the balance of my time.

Mr. BECKER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Chairman, I oppose H. R. 72. This legislation is ill-conceived and wrong in principle. This bill would only open the door for all kinds of litigation never intended.

Mr. TEAGUE of Texas. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARRIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 72) to amend section 21 of the World War Veterans' Act, 1924, to provide for the disposition of certain benefits which are unpaid at the death of the intended beneficiary, had come to no resolution thereon.

REPORT ON THE HEALTH OF HON. JOHN V. BEAMER, OF INDIANA

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. HARVEY] is recognized for 10 minutes.

Mr. HARVEY. Mr. Speaker, I have asked for this time for the purpose of reporting on the health of my friend and colleague from Indiana, Congressman BEAMER. As many of the Members know, Congressman BEAMER was stricken with a severe heart attack at Eastertime while he was visiting his son, John, Jr., in North Carolina. His recovery during the past few months has been very satisfactory and he is now back in his home in Wabash, Ind.

I had a letter from him the day before yesterday in which he asked that I express to all of his colleagues here his extreme disappointment that he is unable to be back among them; and, in fact, it looks very much as though, in order that he may have a complete and satisfactory recovery, he will not be able to return during the balance of the session.

Mrs. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. HARVEY. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. Will not the gentleman convey to him our very real happiness at his betterment and tell him to be sure to take care of himself.

Mr. HARVEY. I thank the gentlewoman from Ohio and I will be very happy to convey that message to him.

Also I had a letter just yesterday from Mr. BEAMER which he asked to have included as part of my remarks during this special order. Mr. Speaker, I ask unanimous consent at this time to include this letter as part of my remarks.

The SPEAKER pro tempore (Mr. LOSER). Without objection, it is so ordered.

There was no objection.

(The matter referred to is as follows:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 9, 1957.

Hon. RALPH HARVEY,
Member of Congress,
House of Representatives,
Washington, D. C.

DEAR RALPH: Due to illness I have been unable to attend recent sessions of the House. Colleagues have been securing live pairs for me whenever it has been possible to do so.

On Tuesday, June 18, on Roll No. 112 I was paired correctly as opposed to the recommittal of H. R. 6127, the civil-rights bill.

I also would appreciate your calling to the attention of my colleagues the fact that I would have voted "Yea" on Roll No. 113 for final passage, so that they will know how the fifth district is recorded on this issue.

I want to thank you and my other colleagues who have kept me so closely informed on the activities of the Congress.

Sincerely yours,

JOHN V. BEAMER,
Member of Congress.

Mr. HARVEY. Mr. Speaker, may I say in conclusion that the letter from the gentleman from Indiana has indicated that his health will be such that he expects to be back here on active duty at the beginning of the next session. I know we all join in wishing him a complete and satisfactory recovery.

MRS. RHEA SILVERS

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 2070) for the relief of Mrs. Rhea Silvers, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 2, lines 3 and 4, strike out "in excess of 10 percent thereof."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

THE COMMUNIST THREAT

Mr. HALE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HALE. Mr. Speaker, I can see nothing in the current scene to justify a relaxation of our vigilance against the threat of Soviet communism. The inference from recent decisions of the Supreme Court is that it is not much concerned by communism as an internal threat. It seems to regard the overzealous prosecutor as a greater hazard than the wily Communist.

Is the Court justified in its attitude? I think not. The evidence indicates to me that the Communists are not relenting or becoming more tolerant of our free form of society.

For example, I noted in a recent news article that two Americans have been indicted as alleged members of a global Communist spy ring run by confessed Soviet spy Jack Soble. These 2 allegedly infiltrated into 2 highly sensitive agencies—Army Intelligence and the Office of Strategic Services. If they were able to gain access to the secret information in these agencies, I wonder how many unexposed Communists are doing the same.

This example should warn us to maintain our vigilance and not be lulled into complacency by Communist protestations of friendship. Neither should we conclude that the current shakeup in Soviet Russia is an indication of growing weakness. Although leaders may change, the ultimate Communist goal of world domination remains.

In common with most Americans, I believe in the Anglo-American concept of justice that a man is innocent until proved guilty. This concept holds that it is better for 10 men to escape than for 1 innocent man to be punished. But on the other hand, few of us relish the idea of making the course of justice like an 18-hole golf course with sand traps, waterholes, and hazards of all kinds so cunning and ingenious that only the most skillful and fortunate prosecutor can hope to get around the course.

The Romans held the classic maxim that the safety of the nation was the supreme law. True, this maxim in the hands of a Hitler or a Peron, to say nothing of a Stalin, can no doubt be used to justify brutality and cruelty. Still I cannot help thinking that the members of the Supreme Court are too comfortable about the dangers of treason and subversion either by agents of the Communist conspiracy or others. A distinguished member of the other body recently observed that the decisions go a long way to protect the wolf against Red Riding Hood.

Members of the Communist Party in the United States have been openly jubilant over the recent Supreme Court decisions. For example, after the Court had acquitted 14 Communists convicted under the Smith Act, the California leader of the party exclaimed:

"It will mark a rejuvenation of the party in America. We have lost some members in the last 2 years, but now we are on our way."

To me and to many Members of Congress these are ominous words.

I hope that legislation will be passed at the present session to protect the files of the FBI and make their contents available only when a judge directs.

In addition, I hope that the Smith Act will be amended in view of the manner in which it is interpreted by the Court.

Perhaps the Court itself may reverse or modify some of these decisions as it has been known to do in the past.

Under no rationalization can we afford to aid internal communism to subvert this country.

AMENDMENT OF UNIFORM CODE OF MILITARY JUSTICE

Mr. BOW. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Speaker, the decision of the Supreme Court of the United States in the Girard case is a challenge to the Congress to act and to act rapidly to provide rules for the government and regulation of our Armed Forces that will protect all American citizens who are so unfortunate as to be assigned to duty in foreign lands.

The Court based its decision on the waiver provision of the administrative agreement with Japan.

The Court found that there was no legislation subsequent to the security treaty which prohibited the carrying out of the provision authorizing waiver of the qualified jurisdiction granted by Japan.

In the absence of such statutory barrier, the Court said the wisdom of the arrangement is exclusively for the determination of the executive and legislative branches.

It is now obvious that any serviceman serving abroad must weigh each order carefully before executing it for fear that a foreign government will say he was acting beyond the scope of his instructions and that his own Government will fearfully surrender him to a foreign court for prosecution.

This will demoralize discipline and completely destroy the morale of our forces.

I propose to try to prevent this. The Rules Committee has given no indication of permitting the House to vote on my resolution, House Joint Resolution 16, which was reported by the House Foreign Affairs Committee, and which was proposed in order to induce the executive branch to take action to improve the present situation.

I, therefore, propose that the Congress shall enact legislation under the power granted it in the Constitution, which legislation will provide the barrier which the Supreme Court indicates is necessary to save our servicemen from foreign justice.

I am, therefore, today introducing a bill to amend the Uniform Code of Military Justice, which I believe will accomplish this purpose.

AUTHORIZATION TO ACCEPT AND WEAR CERTAIN AWARDS

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8656) to authorize the Honorable HUGH J. ADDONIZIO and the Honorable PETER W. RODINO, JR., Members of Congress, to accept and wear the awards of the Order of the Star of Solidarity—Stella della solidarieta Italiana di 2d classe—and the Order of Merit—dell'Ordine Al Merito della Republica Italiana—of the Government of Italy.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) the Honorable HUGH J. ADDONIZIO and the Honorable PETER W. RODINO, JR., Representatives from the State of New Jersey, are each authorized to accept the awards of (1) the Order of the Star of Solidarity—Stella della Solidarieta Italiana di 2d classe—and (2) the Order of Merit—dell'Ordine Al Merito della Republica Italiana—of the Government of Italy, together with any decorations and documents evidencing such awards.

(b) The Secretary of State is authorized and directed to deliver to the Honorable HUGH J. ADDONIZIO and the Honorable PETER W. RODINO, JR., any decorations and documents evidencing the awards referred to in subsection (a).

SEC. 2. Nothwithstanding section 2 of the act of January 31, 1881 (5 U. S. C., sec. 114), or any other provision of law the Honorable HUGH J. ADDONIZIO and the Honorable PETER W. RODINO, JR., are each authorized to wear and display the awards referred to in subsection (a) of the first section of this act after acceptance thereof.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARMFUL FOOD ADDITIVES

Mr. OSMERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. OSMERS. Mr. Speaker, the long range threat to public health from inadequately tested chemical food additives is greater than the dangers from atomic fallout. Remedial action is imperative. The great statesmen of the world are striving to end the danger of fallout but little is being done here at home to protect our own people against possible cancer-causing and other harmful food additives.

There is presently pending before the House Interstate and Foreign Commerce

Committee legislation to protect the health of the public by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of chemical additives which have not been adequately tested to establish their safety.

The need for this legislation is vital and immediate. Within the past 20 years, hundreds of chemical substances have been added to foods in an attempt to improve their taste, color, nutrition, or preservation. Many of these chemicals have not been subjected to the adequate scientific investigation and exhaustive testing required to determine that they are safe for use in foods. Tests on animals, while very important, are not conclusive in all instances.

Under the present law, manufacturers may not add poisonous or deleterious substances to foods in any amounts unless such substances are required for production purposes or their use cannot be avoided by good manufacturing practice. When so required, the Department of Health, Education, and Welfare is authorized to establish safe maximums for use of such substances. But, I might point out, no action can be taken to stop in advance the use of a chemical until the Government can prove to a court or jury that it is actually poisonous or harmful. Ordinarily, this proof requires 2 or more years of laboratory investigation to obtain. While this investigation is going on, the chemical can still be used in foods.

Mr. Speaker, it is essential to the public health that we know in advance that proposed chemical ingredients are safe before they are added to the foods that we eat. The danger is just too great to justify the continuation of present practices.

Several years ago, a House select committee was established to investigate the use of chemicals in foods and cosmetics and this committee sharply pointed up the deficiencies in the present law. The committee recommended in 1952 that the Federal Food, Drug, and Cosmetic Act be amended "to require that chemicals employed in or on our foods be subjected to substantially the same safety requirements as now exist for new drugs and meat products."

The legislation now pending before the House Interstate and Foreign Commerce Committee would go far toward carrying out the select committee recommendations. It would furnish an adequate pretesting requirement. It would permit the department, on its own initiative or at the request of an interested person, to issue, only after thorough tests, regulations establishing conditions under which an additive may be safely used. Unless the additive were found to be safe for use, it would have to have functional value before even safe amounts would be tolerated in foods.

In urging passage of this legislation, Secretary Marion B. Folsom, of the Department of Health, Education, and Welfare, stated recently:

> Although the majority of chemical and food manufacturers investigate carefully all materials which they propose to use in their products, present controls do not assure adequate public protection. So many chemicals are now in use that the Food and Drug Administration is not able to do all of the testing that is needed. The proposed legislation, therefore, makes the chemical manufacturer responsible for proving the safety of his product before it can be used.

Secretary Folsom emphasized that many chemical additives now in use are entirely safe and are officially sanctioned and these would be exempted from the pretesting requirements of the proposed bill. An additive not generally recognized as safe by qualified experts would not be exempted even though it had been in use for some time.

Mr. Speaker, the proposed bill takes into account the fact that some additives are highly beneficial if properly used but may be toxic if used in excessive amounts. Basically, the bill provides for establishing safe levels for use of such additives. At the same time, it requires that a toxic additive, even in a safe amount, must have functional value.

Under the proposed legislation, any manufacturer who considered himself to be adversely affected by a chemical additive regulation, or by the Department's refusal to make such a regulation, could file objections and request a public hearing. Any regulation issued after such a hearing would be based solely on the evidence taken at the hearing, including any report made by an advisory committee. Such regulations would be subject to review by a United States court of appeals.

Mr. Speaker, this legislation is not only fair to the food manufacturer, but is vital to the public health. I strongly urge that it be acted upon favorably this session of Congress.

RECOGNITION AND ENDORSEMENT OF THE SECOND WORLD METALLURGICAL CONGRESS

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, I am today introducing a joint resolution providing for the recognition and endorsement of the second World Metallurgical Congress.

In October of this year some 500 metal scientists and engineers, many representatives of their respective governments, will come to the United States to attend the scientific sessions of the second World Metallurgical Congress to be held in Chicago, November 2 to 8.

Under the sponsorship of the American Society for Metals, one of the country's leading scientific organizations, whose membership is in excess of 28,000, these visitors will join with American counterparts in a series of technical panels and sessions for a study of world metal resources and metalworking procedures, all designed toward the more efficient use of metal reserves around the world.

Today, at the dawn of the atomic era, the metal scientist stands as one of our key scientific figures. It is the metallurgist who is the one that must develop the metal to meet the new needs of atomic power. He has the problem, too, of finding metals that can withstand the vigors of supersonic flight. These are some of the problems to be viewed and studied during the coming World Metallurgical Congress.

Under leave to extend my remarks, I include the resolution herewith:

> Whereas the growing demand upon the metal resources of the world presents a problem prompting the most serious consideration among nations; and
>
> Whereas a broader acquaintanceship with present-day mineral resources and the means for conserving these diminishing resources is essential to the well-being of mankind; and
>
> Whereas our own mineral resources being deficient in several vital minerals, the United States is faced with continued dependence upon overseas and other sources; and
>
> Whereas the outlook for improvement in basic resources is not encouraging, there is need for broad scientific research and wide-scale exploration to effect discovery of new metals and metal resources; and
>
> Whereas the free exchange of scientific information among the world's metallurgists will contribute to the betterment of this deficiency at home and abroad; and
>
> Whereas the United States has a responsibility and an opportunity to provide vigorous leadership in the search for substitutes for critical resources in order to preserve these resources from complete exhaustion; and
>
> Whereas the metal scientist is today accepting this challenge in good spirit and with efficient performance, contributing actively to the mastery of new wonder metals and the peacetime uses of the atom; and
>
> Whereas the economic health of the world will be enhanced if the United States nurtures a friendly attitude toward worldwide scientific and industrial efforts; and
>
> Whereas several hundred distinguished metal scientists from twoscore countries throughout the world will visit our shores in October and November of 1957 to participate in deliberations on metal resources and operations: Now, therefore, be it
>
> *Resolved, etc.*, That the Congress hereby extends its official welcome to the overseas metal scientists who will visit major American production centers and attend the World Metallurgical Congress, November 2 to 8, 1957, under the sponsorship of the American Society for Metals. The President is authorized and requested, by proclamation, or in such manner as he may deem proper, to grant recognition to the World Metallurgical Congress and the American Society for Metals for its instigation and sponsorship of this second world gathering of metal scientists, calling upon officials and agencies of the Government to assist and cooperate with such Congress as occasion may warrant.

FEDERAL AID HIGHWAY ACT OF 1956

Mr. FALLON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. FALLON. Mr. Speaker, last year the Congress approved the Federal-Aid Highway Act of 1956, which set in motion the greatest national highway program in our history. It included the con-

struction by the States of 41,000 miles of modern-design interstate defense expressways plus an accelerated building of State primary roads, secondary farm-to-market roads, and city streets.

This enormous Federal aid highway program is off to a good start. During its first 12 months, construction volume, apart from engineering, rights-of-way, and other costs, exceeded $2½ billion.

To help finance Federal participation in the program, Congress levied new taxes on highway users and increased some of the existing taxes.

Under title II of the act, which is known as the Highway Revenue Act of 1956, Congress also wisely created a highway trust fund in the Treasury Department which would serve as a repository for revenues from these taxes, and spelled out carefully the purposes for which trust fund moneys might be used. Specifically, the Highway Revenue Act of 1956 provides that these trust fund moneys are to be used as an aid to the States in the roadbuilding program. Logically, it also provides that the funds may be used by the Bureau of Public Roads of the Commerce Department, the administering agency for the Federal Aid Highway Act of 1956, in its operation of the program.

When this act was drawn up the Ways and Means and Public Works Committees were satisfied, and I believe most Members of the House were satisfied, that a sound legal guard had been placed around the trust fund so that its moneys coming from the pockets of highway users could not be diverted for nonhighway building purposes. This was the intent of the framers of the act and this was the intent of the House when it passed this act.

Last year, due to the fact that the Highway Act was approved after appropriations were made for the fiscal year 1957 for the Department of Labor, a presumably temporary provision was made, through a supplemental appropriation, to provide funds for the Labor Department to enable it to administer the Davis-Bacon section of the Federal Aid Highway Act. This section covers the payment of prevailing wages on Federal aid highway projects. Under this stopgap authority, the Labor Department withdrew $160,000 last year from the trust fund to administer the prevailing wage provision.

There was no general objection to the procedure. I supported the Davis-Bacon provision, and I certainly favored supplying the Department of Labor with necessary funds for adequate administration. However, it was not in my mind, nor do I believe that it was in the minds of the Members of the House, that we were establishing a precedent for a continuing diversion from the trust fund for non-road-building purposes when we enacted the supplemental appropriation. I assumed that this year the Labor Department would obtain funds to administer the Davis-Bacon section of the act in the regular way, through the regular departmental appropriation act.

I was, therefore, astonished when the Labor Department came back this year seeking another diversion from the trust fund, this time for $365,000. They supported this request with an opinion of the Comptroller General, as well as an opinion of the Solicitor of the Department of Labor, that Congress had, indeed, set a precedent for such diversion. Not only that, the Labor Department, backed by the Bureau of the Budget, was eager to take advantage of the precedent.

What the Labor Department has done, as a matter of fact, is to seize the opportunity to crawl through a legal loophole.

I think that this loophole ought to be closed tightly and that neither the Labor Department nor any other agency, except the Bureau of Public Roads, should have access to the motorists' and truckers' tax moneys held in trust for roadbuilding purposes.

Accordingly, Mr. Speaker, I am today introducing a bill that I believe will effectively preclude raids of this kind on the trust fund.

Let me make it clear again that I favor the prevailing wage provision and I favor adequate appropriations for its full administration. However, I strongly oppose using money from the highway trust fund to finance this activity. This money should be used only for the purpose Congress intended it to be used for, and that is why I am introducing this bill today.

FEDERAL POWER COMMISSION

Mrs. KEE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from West Virginia?

There was no objection.

Mrs. KEE. Mr. Speaker, in recent weeks I have had considerable correspondence and many personal discussions regarding my remarks to the House on June 3. At that time I pointed out that the Federal Power Commission will be acting in the best interests of the people of the United States if it refuses to approve the applications for the importation of natural gas from the Dominion of Canada.

I should like to reiterate that any other decision on the part of the Commission would be cruel and inhumane so far as coal and railroad communities of West Virginia and adjacent States are concerned. I have learned that the jobs of lignite miners in North Dakota are also at stake in this issue, and I am taking it upon myself to speak in behalf of those men and their wives and children who would be subjected to the indignity of unnecessary unemployment if foreign gas were to displace the fuel which they produce.

Theoretically, the idea of opening America's markets to our friends and neighbors outside our borders is most appealing. I am hopeful that international commerce will eventually be conducted without any tariffs, quotas, or other restrictions of any kind. To suppose that such a program can be put into effect overnight—or even in a period of years—is, however, complete folly.

Mr. Speaker, America must proceed cautiously in opening its markets to a new influx of foreign products. West Virginia has experienced sufferings bred by unwise policies that admit alien goods in such quantities as to dislocate home industries. Our coal mines have been gutted by excessive shipments of foreign residual oil. Our glass and pottery plants have toppled on the brink of bankruptcy because competing goods, produced in lands where wages and living standards are far below those enjoyed by Americans, have been permitted to flow too freely onto our shores.

Canadian gas presents equally disturbing probabilities Produced with very little labor cost, it can be dumped, if necessary, into a foreign market in order to build a consumer load. Having displaced domestic fuels and being directly responsible for laying off of thousands of lignite and bituminous coal miners, natural gas from Canada could then be priced indiscriminately by producers and/or other interested parties along the line

Benjamin Disraeli, Prime Minister of England, once wrote that "free trade is not a principle, it is an expedient." That interpretation of the phrase has been accepted literally and practiced by nations throughout the world, save for the more credulous members of the United States executive department who are intent upon laying our markets open to invasion of foreign products without regard to the impact of our own economy.

Mr. Speaker, when other countries realize that imports are destructive to their economy, they quite naturally take steps to correct the situation. For instance, France recently announced the banning of imports except under a special license. Great Britain, which has always advocated that the United States lower tariffs and provide leadership in the move toward freer trade, exercises due consideration for her own factories. If, for instance, a resident of England wishes to buy an American made automobile, he must go to his bank and have his sterling converted into dollars. If there is an abundance of British cars of a competitive rank on the market, the purchaser is merely refused dollars; thus he will have to buy a British product if he wants a new auto.

Canada, too, has a realistic foreign trade policy. As for imported coal from the United States, the Canadian Government collects 50 cents on every ton that crosses the border.

A sensible approach to the problem of international commerce is mandatory Mr. Speaker, if the framework of our domestic economy is to remain strong. America must revise whatever of its policies are contrary to the public welfare. In the matter of Canadian gas, it would be an injustice to our own people to accede to the proposals presently before the Federal Power Commission.

WALDO LAKE TUNNEL

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, I have today filed a bill to rescind the authorization for the Waldo Lake Tunnel and regulating works on the Willamette River, in Oregon.

Waldo Lake, 5,500-acre wilderness gem that is perched astride the Cascade skyline in Lane County, should remain untapped by the Army engineers who have signified their agreement to dropping Waldo Lake from their comprehensive plans for the Willamette Basin project, in view of the great public sentiment in this area for protection of this little lake in its natural state.

Under the present Willamette Basin project plan, Waldo Lake would have been drawn down 40 feet to gain an additional 220,000 acre-feet of water in low-water years. It would take about 10 years for the lake to refill again to its normal level.

I should like to note that Waldo Lake is unique for its size in that it has no single permanent tributary stream and an extremely limited watershed that sends just spring snow melt into the lake.

Waldo's waters are as clear as those of famed Clear Lake on the upper McKenzie River in my Fourth Congressional District. On calm days every detail of the bottom can be seen to great depths. It is readily apparent that recreation and fishing are the highest beneficial uses of Waldo.

I should also like to note that Mr. Henry Stewart, of the Portland branch of the Army engineers, has stated that benefits from use of Waldo water, calculated at $52,000 a year, only matched annual costs of maintaining the project, also $52,000. To build a diversion canal from Waldo Lake in Black Creek Canyon would cost $922,000 under recent revised estimates.

During a recent discussion on the highest and best use of Waldo Lake, held in Lane County Courthouse in March, many organizations and interested individuals were given an opportunity to express themselves on this proposal.

Mr. Lee Murphy, of Junction City, chairman of the Lane County Parks and Recreation Commission was moderator. Five speakers, representing county parks, United States Forest Service, United States Army Corps of Engineers, State game commission, and Oregon Water Resources Board, took part.

The general consensus was expressed by Mr. Charles Campbell, of the State game commission, which does not favor use of Waldo as a source of irrigation to central Oregon or as a means of maintaining flow in the Willamette in low-water years. He observed that the lake "is not getting anywhere near the fishing use it could stand" and emphasized its recreational value.

Campbell said:

> There are many coves, bays, beaches, making it ideal for camping, fishing, and boating. There are rainbow and eastern brook trout up to 8 or 9 pounds. Several hundred thousand to a million fingerling fish are planted each year. There are a few trash fish but no danger of them taking over.

The Lane County Chamber of Commerce is unanimous in its approval to save the Waldo Lake area for recreation. This proposal to spare this highly scenic body of water, which is also the largest natural lake in Lane County, is also backed by the Eugene Chapter of the Izaak Walton League of America, Inc., and many other worthy organizations.

Brig. Gen. J. L. Person, Assistant Chief of Engineers for Civil Works, has observed in reply to my query—

> Based on available information, this project lacks economic justification under present-day conditions.
>
> A tunnel was built at this location in 1914 by private interests under a Forest Service permit to draw water from the lake for power and to irrigate lands in the Eugene-Springfield area. The project was not completed, and the tunnel and control works have deteriorated until ultimate failure may be a possibility. The Forest Service permit has been canceled and the tunnel has reverted to Government ownership. It is understood that the Forest Service is now considering possible action to forestall involuntary drawdown should the tunnel or control works fail.

I should also like to note that a survey shows it is feasible to put in a road from Highway 58 via Gold Lake to provide even greater recreational development.

In the words of the esteemed Dr. Karl Onthank, president of the Federation of Western Outdoor Clubs:

> I know of no wilderness area anywhere which could be made so readily accessible for the enjoyment of people who cannot or do not care to walk or ride horseback, at so little cost for development and in terms of area reserved, since the lake watershed is as you know very small, it would seem premature to spend much money on this otherwise.

SAVE OUR AMERICAN AVIATION INDUSTRY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Oklahoma [Mr. JARMAN] is recognized for 30 minutes.

Mr. JARMAN. Mr. Speaker, there has just been introduced in this body a piece of legislation proposed by the gentleman from Arkansas, the distinguished chairman of the Interstate and Foreign Commerce Committee.

This bill is numbered H. R. 8538, and it is my earnest hope that our committee and this entire body will rapidly pass this bill in order that our civil aviation industry can be saved from a course which can only lead to disaster.

This may seem like strong language, and it is intended to be. Some brake must be placed upon the giveaway program which the State Department has been practicing with irresponsible abandon for the past couple of years. Speedy passage of this legislation will establish a sound policy for the conduct of foreign air transportation by foreign carriers. It will also provide a method by which the Civil Aeronautics Board will be called upon to make a report to the President and to the Congress on the fulfillment of that policy.

Mr. Speaker, I first indicated concern last March when the State Department was negotiating with the Netherlands Government over bilateral air agreements.

Despite the numerous and persuasive challenges which were made to the policy being pursued in the negotiations with the Netherlands, the Department of State went ahead and seems determined now to continue in a series of air-transport negotiations with other countries. I am disturbed that the policy which may be followed in these negotiations will be as harmful as that pursued with the Dutch. My apprehension in this regard is strengthened by reading an address by Assistant Secretary of State Kalijarvi given before the International Management Association on May 23.

In that address Mr. Kalijarvi undertook to defend the policy pursued by the Department of State in international civil aviation matters. He illustrates his thesis by a defense of the agreements negotiated with West Germany and the Netherlands. Mr. Kalijarvi's defense was not persuasive to me, and I continue to share the critical views of our distinguished colleagues in the Senate Interstate and Foreign Commerce Committee with respect to both these agreements. I should like to suggest to the Department of State that the policy guidelines of that committee's report on international air agreements from a sounder basis for the conduct of the international air transport policy of the United States than do the empty and unsound generalizations of Mr. Kalijarvi's address.

When the senior Senator from Washington recently appointed a subcommittee of the Interstate and Foreign Commerce Committee to consider the broad question of the increasing number of requests for United States domestic air routes by foreign carriers, he noted that something on the order of 11 nations were now standing in line for United States air routes. One of these nations was Australia.

At the present time the United States has a route to Sydney, and Australia has a route to San Francisco. The economic value of this route exchange is in reasonable balance. The Australians, however, were not satisfied. They sought far more in the way of routes than they could give; but the bountiful Mr. Kalijarvi and his associates in the Department of State are going to see to it that the Australians are kept happy.

Despite the fact that one of our large transcontinental and transatlantic carriers lost millions of dollars in 1956, Qantas, the Australian airline, is about to be given a route from San Francisco to New York and tap at that point the great transatlantic market between New York and Europe.

Mr. Speaker, I have felt and I still feel that the United States market belongs primarily to the United States carriers. I see no reason why the United States should grant to the Government of Australia the right to fly across this continent and on to Europe. And what was offered by Australia to balance the magnitude of such a grant? A route beyond Australia to the South Pole was one thing: a route to Penguin Land. An-

other was a route 7,000 miles beyond Australia across the Indian Ocean to South Africa. The Australians operate one round trip fortnightly to serve this tremendous traffic flow. Then there was a route beyond Australia duplicating their route to Singapore and the Middle East to London. I would call your attention to the fact that the market demand here is met by the operation of only 8 round trips a week, whereas the United States-Europe market into which Australia sought entry calls for the operation of nearly 200 round trips a week. In addition, the implementation of this route from Australia through Singapore and the Middle East to London would require the permission of a number of other countries. There is no assurance that these necessary permissions could be obtained except after years of negotiation with those countries.

A similar situation exists with respect to still another of the routes which Australia offered to the United States—the right to fly across the Tasman Sea between Auckland and Sydney. While this right is to be given by Australia, New Zealand's Civil Aviation Minister Shand, according to press reports, stated in Wellington on June 27, that it was inconceivable that the Australian Government had granted such traffic rights to a United States carrier. Much opposition exists in New Zealand to this grant, and from present reports there would appear to be little likelihood that this could be implemented by securing the necessary rights from that country. Certainly, the least which the Department of State could do in this instance would be to secure from New Zealand the right necessary to permit the implementation of this route before the agreement with Australia was finalized.

These were only a few of the considerations which argued so persuasively against any further route grant to Australia. And yet the request which Australia made for further air rights from the United States was not refused.

I have seen press reports that Belgium and Switzerland have it in mind to ask for additional air rights from the United States. The report with respect to Belgium stated that the Department of State had already agreed to grant such rights. I hope that this is not true. I see no need to grant to either of these countries, who already have profitable route exchanges with the United States, any additional rights.

I make these statements with the greatest of friendship and respect for these countries and others who may have in mind to seek additional rights from the United States. The fact that the United States should find it necessary to refuse these requests should not be interpreted by these countries as an unfriendly act.

This Government, Mr. Speaker, simply must not pursue a policy which says, in effect, that any country may have for the asking or demanding any right which it seeks from the United States. The pursuit of such a policy would be disastrous to the economic strength of the United States international air transportation system, and would have serious effects upon the reserves of aircraft for defense purposes which exist in our commercial fleet and upon American labor. We have already gone too far in this direction. These are factors as worthy of consideration and as important for our friends as they are for ourselves.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. BOW. Mr. Speaker, I am delighted that the distinguished gentleman from Oklahoma [Mr. JARMAN] has so clearly and distinctly brought to the attention of the House the importance of proper recognition of American-flag airlines in world commerce.

I have addressed the House on the same subject twice recently.

The distinguished gentleman from Georgia [Mr. PRESTON], chairman of the subcommittee for the Department of Commerce appropriations, on which subcommittee I have the honor to serve, has devoted his efforts to the reduction of airlines subsidies. I am sure his efforts have the approval of the House and of the Nation.

It is, therefore, difficult to understand why the Department of State continues to grant foreign carriers preferred treatment while they fail to secure small concessions to American-flag carriers—unimportant so far as competing foreign lines are concerned but important to the financial stability of American lines and American taxpayers—for, unless the concessions are realized, American taxpayers may again be called upon to again subsidize some of the American-flag carriers in worldwide competition.

I have today been studying the Mutual Security Act—billions of dollars going to stabilize foreign nations—this we have been doing for years. Believe me, Mr. Speaker, many of these dollars now, and in the past, have gone directly or indirectly, to the financing or subsidizing of these foreign lines.

Trans World Airlines, one of the outstanding American lines, is subsidy free both in their domestic and overseas operations. They are to be commended. They have in the past and are continuing, as have other American lines, to furnish world travelers with the finest equipment and trained personnel available. In 1956 this company lost $700,000 in its international service. I am advised this loss would not have occurred if the British would have authorized operation between Frankfurt in Germany and Zurich in Switzerland as authorized by the American Government.

Here are the facts, Mr. Speaker:

First. In 1950 the Civil Aeronautics Board, with Presidential approval, granted TWA a route to Europe via London.

Second. This route through London had a dead end at Frankfurt, Germany.

Third. TWA had operated and still operates another route to Europe through Paris, Zurich, Rome, Athens, and the Middle East to India.

Fourth. In April 1955 the Civil Aeronautics Board authorized TWA to link up the route over London and Frankfurt with its main line route through France, Switzerland, Italy, and on to India.

Fifth. This integration involves operation between Frankfurt and Zurich, a distance of less than 200 miles.

Sixth. The British have refused an amendment to the bilateral air transport agreement between the United States and the United Kingdom that would implement the route integration described above. The United States has tried without success on three occasions in the past year to secure this amendment.

This handicap gives the British airlines and other foreign airlines a serious competitive advantage as they can offer more attractive routings than can TWA to the American tourist market. It also imposes extra and unnecessary operating expense on TWA.

American citizens wishing to make a circle tour of Europe over London or to stop over in London on their way to Italy, for example, cannot use TWA for their journey. They must be turned over to foreign carriers at London or Frankfurt.

But, Mr. Speaker, our State Department has failed to secure permission to cover this short distance of 178 miles, while they have been giving away thousands of miles of airspace for the British, or competitors of the American flag lines.

Mr. Speaker, when will Americans and American interests be given the same consideration as is given to those we have helped in the past with programs in aid. We must protect our interest if we are to maintain the American flag in the airways of the world.

I join with the gentleman from Oklahoma in his concern and urge that careful and serious consideration be given to the bill introduced by the distinguished chairman of the Interstate and Foreign Commerce Committee. The bill is H. R. 8538.

Mr. JARMAN. I thank the gentleman from Ohio for his able contribution.

Mr. PRESTON. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Georgia.

Mr. PRESTON. Mr. Speaker, I want to join with enthusiasm the philosophy being expressed here today by the gentleman from Oklahoma.

Within the House Appropriations Subcommittee, for the past several years, we have worked conscientiously and industriously to bring about a gradual but noticeable reduction in subsidy payments to scheduled airlines. This has not been easy because it has been necessary for us to make various considerations for recommending funds to be allocated to the Civil Aeronautics Board for the purpose of paying subsidies.

Mr. Speaker, I believe that the airlines themselves much prefer to be off subsidy. Virtually all of our international and trunkline carriers are now receiving no subsidy from the Civil Aeronautics Board. Only the local service carriers and helicopter operators are still dependent upon the Government for subsidy support.

If, Mr. Speaker, this policy of our State Department to give away choice United States routes for virtually nothing in return continues unimpeded, it can only mean that carriers now off subsidy can

be expected to apply for Federal assistance. And in view of the State Department's attitude, it will be extremely difficult for the Civil Aeronautics Board to justifiably turn down these requests.

I join with the gentleman from Oklahoma in the wish that this legislation is enacted promptly in order that our airline carriers can enjoy the full measure of independent prosperity they so richly deserve.

Mr. Speaker, I want to express my appreciation to the gentleman from Ohio [Mr. Bow] for the comments he just made concerning the activities of our subcommittee in the field of trying to reduce subsidies, and I want to concur in the comments that the gentleman from Oklahoma [Mr. JARMAN], has made. This is a rather serious matter. We have been highly criticized in this country for subsidizing airlines and sometimes subsidizing shipping, but we have long since realized the essentiality of maintaining our international carriers for what they mean to us, to this Nation. Now, TWA was the first carrier to go off subsidy. Pan-American is off. The only two international carriers remaining are Braniff and Panagra in the South American run, and they have stiff competition in the form of Latin American carriers which are subsidized by their governments. Consequently, it is more difficult to make a profit on these runs to South America.

The situation the gentleman from Ohio, [Mr. Bow], alluded to about the route from Frankfurt to Zurich poses a serious problem to us. The attitude of the British could conceivably cost us $700,000 if this carrier's operations are such that they will go into the red again. And, if we start paying subsidies, it is the taxpayers that will have to stand the burden. So, I hope the State Department will stiffen their spine and give consideration to American business first and then the foreign international carriers second. One by one they are granting these licenses to foreign carriers to come in and compete. We have two schedules now going to Europe from New York. The competition is so keen that finally our American carriers are going to go back into the red, and once again subsidies will have to be paid by the taxpayers of this country. So, I think it is very important and very timely in what the gentleman from Oklahoma is doing today in calling this to the attention of the House.

Mr. BOW. Mr. Speaker, will the gentleman yield further?

Mr. JARMAN. I yield.

Mr. BOW. I should like to point out to the gentleman from Oklahoma, as well as my distinguished chairman on the subcommittee, it has just come to my attention that through our mutual-security program and ICA and these other aids that we give to foreign nations we are bringing people into this country with our counterpart funds, funds which we have generated out of the American taxpayers' pockets. How are they coming? Not on American lines, but they are coming into this country on foreign lines. In other words, here we have a threat again of the possibility of sudsidies because they will not grant us this 178 miles. But, still, when we bring these people over here, instead of using counterpart funds to use passage on American-flag lines, we are buying passage on these competing lines. I think it is about time we began to look after America and American interests.

Mr. JARMAN. I thank the gentleman. I would not want to let this opportunity pass without paying a word of special tribute to the gentleman from Georgia [Mr. PRESTON] and the gentleman from Ohio [Mr. Bow] for their very effective work that their subcommittee is doing in this field. I am grateful to both of them today for their very able contribution to the general subject that I have had under consideration.

Mr. Speaker, when I began this talk I referred to Mr. Kalijarvi's speech of May 23. That speech is full of many things deserving of the most caustic comment, not the least of which is the implication that we should do all in our power to keep the government-owned foreign airlines happy in order that they will continue to purchase American made transport planes. Let me point out, Mr. Speaker, that the money to purchase these American made planes for the most part comes from the pockets of American taxpayers in the form of American aid grants to our friendly neighbors across the oceans. Service on the House Foreign Affairs Committee in 1955 and 1956 brought this point forcefully home to me.

Mr. Kalijarvi apparently is not aware that the Vicker Viscount, the Bristol Britannia, the French Caravelle, and the New DeHavilland Comet are rapidly taking their place in the skies of the world alongside the finest transports that can be made in this country.

Mr. Kalijarvi also failed to advise his listeners on May 23 that wages paid to skilled technicians on foreign airlines are sometimes less than half paid for similar services by United States-flag carriers.

Mr. Kalijarvi also neglected to emphasize to his audience that organized labor is militantly opposed to this giveaway policy practiced by the State Department and will enthusiastically support the legislation proposed by Mr. Harris when hearings are held.

Mr. Kalijarvi should be told right now that this reckless policy of international largess, to the detriment of our own airlines, must cease immediately. We must guard against a wholesale raid on our airline route structure.

Mr. Speaker, this body has done fine work in the past few years in gradually reducing subsidy payments to the airlines. The appropriations subcommittee of which the distinguished gentleman from Georgia is chairman has questioned the Civil Aeronautics Board closely about each item of subsidy appropriations. If we do not want to see airline subsidies in astronomical figures once more, we had better do something fast to curb Mr. Kalijarvi and his enthusiastic free giving.

I earnestly solicit the help of every Member of this body in promptly considering and passing the excellent legislation prepared by Mr. HARRIS.

GENERAL IMPORT QUOTA BILL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 30 minutes.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, the chairman of the House Committee on Ways and Means has received another reply on the general import quota bill, usually referred to as the Lanham bill, from one of the executive agencies of the Government. This time the report comes from the Bureau of the Budget of the Executive Office of the President.

The letter is as follows:

EXECUTIVE OFFICE OF
THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., June 4, 1957.

Hon. JERE COOPER,
Chairman, Committee on Ways and Means, House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: This is in reply to your request of March 25, 1957, for the views of the Bureau on H. R. 2776, a bill "To regulate the foreign commerce of the United States by establishing import quotas under specified conditions, and for other purposes."

This bill would establish a complex system of arithmetical formulas under which virtually any increase in imports relative to domestic production of competitive products, or virtually and existing level of imports supplying more than one-third of United States consumption, would create a presumption of injury to the domestic industry. Unless a majority of the Tariff Commission found that the facts as presented in public hearing successfully rebutted the presumption, the Commission would be required to apply a tariff quota or an absolute quota on imports, in accordance with formulas contained in the bill. These quotas, as determined by the Commission, would become law without further review or action by the President.

This bill rests on the presumption that any relative increase or relatively high level of imports displaces United States production and is injurious. No consideration of other aspects of imports is evident in the formulas in the bill, nor permitted in establishing the quotas directed by it. These broader considerations include the role of imports in supplying United States industry with products which are available from domestic sources in insufficient quantity or at an uneconomic cost, in broadening the choice available to American consumers, in providing the vast bulk of the dollars which foreigners use to purchase American exports, and in nourishing the economic health of countries where a major decline in growth and stability would impair the security and welfare of the United States.

The Bureau is convinced that these considerations are generally controlling, that a substantial increase in imports generally reflects, rather than undermines, the growth of this country, and that cases of injury due to increased imports are relatively rare and are covered by existing legislation and procedures. This conviction is reflected in the reciprocal trade agreements program, the United States commitments in the GATT (General Agreement on Tariffs and Trade), the administration's sponsorship of the Organization for Trade Cooperation, and the

President's repeated emphasis on the desirability of expanded international trade.

It is doubtful whether implementation of this act would lead to either the stabilization of imports under conditions of fair competition, the expansion of foreign trade, or a rising standard of living abroad, all of which are among its declared purposes. This is due to the inherent tendency of formulas resting on a historical base, such as those presented in this law to freeze trade in established patterns, preventing or warping the growth of new enterprise, domestic as well as foreign. This requires extensive governmental administrative interference with business transactions, on a peculiarly rigid and arbitrary basis, inviting evasion and undue pressure. The result is inevitably to reduce trade in amount and kind below that needed for the purposes mentioned.

In addition to the doubt that this proposal would achieve its own stated purpose, trade and tariff questions can only properly be decided in a broad context of policy considerations. This makes one aspect of this bill particularly unfortunate. This is the fact that the bill would remove from the President his review of Tariff Commission findings in injury cases. The Commission's findings are properly and necessarily based on the economic criteria set out in law by the Congress. However, an action to change the customs treatment of an import, especially the imposition of a quota, may have effects which are beyond the scope of such criteria and the Commission's responsibility. These effects may bring the Commission's proposal into conflict with the best interests of the country. The terms on which we are willing to trade with other nations are important to American consumers and producers. They are also important indirectly to the security and welfare of the country through their impact on the economic progress and political stability of our allies and friends abroad. And delegation of final control in this field to an agency bound to operate on restricted economic criteria would seriously undermine the President's ability to fulfill his responsibility for the security and welfare of the Nation.

For the above reasons as well as for those cited by the Departments of State, Treasury, Commerce, Agriculture, and Labor, the Bureau of the Budget strongly recommends against favorable consideration of this bill, enactment of which would not be in accord with the program of the President.

Sincerely yours,

PERCIVAL F. BRUNDAGE,
Director.

The Budget Bureau's reply reflects a more careful study of the general import quota bill than did the replies of either the Department of State or of Commerce upon which other members and I commented on this floor on June 3, 1957. Nevertheless, the Bureau's reply leaves much to be desired. I do not refer to the fact that the reply was unfavorable. That was as certain as night following day.

The report says that the bill rests on the presumption that any increase or relatively high level of imports displaces United States production and is injurious.

This is inaccurate. The bill does not presume that "any" increase in imports is injurious. It provides that if imports capture a specified increase in the share of the domestic market a presumption of injury would be created. This is no more than removing from the domestic producers the burden of proof or giving them the benefit of the doubt instead of resolving all doubts against them and in favor of foreign exporters as is now the case. Moreover, a presumption can be rebutted. Thus, if a majority of the Tariff Commission found that even though the upward trend of imports met the conditions specified in the bill, nevertheless no serious injury had resulted, no import quota of any kind would be established.

Nor does the bill presume that all increased imports necessarily displace domestic products. Only if such increased imports actually take a larger share of the market than formerly, i. e., outstrip domestic producers, would displacement be presumed. I see nothing wrong with that.

To make this point clear, let us assume that imports amounted to 100,000 units of a product while domestic production amounted to 900,000 units. Apparent consumption would then be 1 million units. The 100,000-unit imports would have represented 10 percent of the market.

Let us say now that imports went to 200,000 units but that the market also doubled. There would then be no relative increase in imports. They would still remain at 10 percent of the market. There would be no presumption of injury and no quota could be imposed even though imports had doubled.

On the other hand, assume that imports rose from 100,000 units to 500,000 while domestic consumption or the market expanded only to 1,400,000 units. This would mean that domestic production had stood still at 900,000 units while imports had expanded fivefold—a not unusual occurrence. In that case imports would have risen from supplying 10 percent of the market to supplying 35.7 percent of the market.

Such a condition would be regarded under the bill as creating a presumption of injury and unless it were rebutted the presumption would stand; and an import quota would be established by the Tariff Commission. This would be justified on the rebuttable assumption that such a sharp gain in imports was clear evidence of a sharp competitive advantage enjoyed by imports. If allowed to go on unimpeded such a competitive situation would spell ruin to the domestic producers. Evidently the tariff had been cut too sharply in a trade agreement. At the same time some of the foreign advantage might be the result of the installation of modern machinery and equipment in the factories located abroad, thus increasing productivity and giving competitive effect to the lower wages prevailing there.

In any case the quota that would be established would not stop the imports. They might, indeed, not be cut back at all or only moderately, so long as they did not supply over 25 percent of the market. A tariff quota rather than an absolute quota could then be imposed. Such a quota would allow imports close to or even slightly above the attained level to come in at the existing low-tariff rates. The higher tariff would apply only to imports in excess of that level.

If imports had reached a point where they supplied more than 25 percent of the market, a tighter quota might, but need not necessarily be established. An absolute quota could be imposed; but it would still be flexible. In the case of the last example given above, that is, where imports in the most recent year had risen to a point of supplying 35.7 percent of the market, an absolute quota could be set. It could be placed at a point somewhere between about 26 percent and 35.7 percent of the domestic market, at the discretion of the Tariff Commission.

But while in this case the Commission might choose a tariff quota instead of an absolute quota, let us assume that it selected an absolute quota. This might well be set at 30 percent of domestic consumption, that is, a cutback from 35.7 percent.

If now the domestic market itself expanded by 25 percent, imports could expand by 25 percent. They would not be absorbing a higher share of the market than before. Of course, if the domestic market should shrink by 25 percent or some other considerable margin, imports would be cut back in proportion. This would be done to prevent imports from nullifying the efforts of the domestic industry to correct a surplus situation. If imports could continue to come in without a letup while domestic producers were laying off workers or putting them on a short workweek in order to prevent a heavy surplus from building up, it would be like bailing out a leaking boat. Imports would simply take the place of the reduction in domestic output and thus cancel the efforts of the domestic industry to make an adjustment.

The Budget Bureau's letter refers to the inherent tendency of formulas resting on a historical base, such as those presented in this law to freeze trade in established patterns and says that they prevent or warp the growth of new enterprise, domestic as well as foreign.

Here it is apparent that the Bureau failed to study the bill fully. Specific provision is made in the bill to prevent such freezing of existing patterns. Section 11 (i) provides:

> Any absolute quota established under this act may be converted into a tariff quota in accordance with the provisions of this act if after investigation and hearing * * * the Tariff Commission finds that such conversion is justified by economic developments and to avoid freezing a particular pattern of import competition and domestic production.

A tariff quota, it should be noted, is no more restrictive than a tariff rate alone. The section quoted provides for the substitution of a tariff quota for an absolute quota in order to avoid freezing a particular competitive pattern.

Other provisions of the bill would also assure flexibility and avoidance of the kind of rigidity that the Budget Bureau by its attitude properly condemns.

Another indication of a failure properly to study the bill is found in the Bureau's observation that—

> These broader considerations include the role of imports in supplying United States industry with products which are available from domestic sources in insufficient quantity or at an uneconomic cost.

The Bureau stated that no consideration had been given in the bill to these

broader aspects. I shall refer to section 11 (i) (1), which provides:

If upon application of interested parties and after hearings as prescribed in this act, the Tariff Commission should find by a majority vote of the members participating that any absolute import quota established under this act is unduly restrictive and that the domestic market could readily absorb a greater volume of imports of such product without causing or threatening serious injury to the domestic producers of the like or directly competitive product * * * the Commission shall increase such absolute quota.

Also pertinent and more to the point is subsection (i) of section 11. It provides that in determining whether an absolute quota should be converted into a tariff quota the Tariff Commission shall take account of technological developments, trends in domestic production and consumption "and, in the case of a raw material or primary product under an absolute quota limitation in pursuance of this act, serious failure of the domestic producers thereof to keep pace with requirements of the manufacturers of the products in which such raw material or primary product is normally used."

These quotations from the bill show clearly that adequate provision has been made to avoid the very result complained of by the Bureau of the Budget.

The report makes other attacks on the bill. It questions whether implementation of the bill would lead to either stabilization of imports under conditions of fair competition, the expansion of foreign trade, or a rising standard of living abroad, all of which are among its declared purposes.

The bill is designed specifically to prevent disruption of the domestic market by regularizing imports without freezing them or severely reducing them. This is the very essence of stabilization. Without such regulation imports often vary greatly from year to year, thus causing uncertainty, confusion, and fear. Without a ceiling, the threat of increasing imports produces fears that put a damper on plant expansion, capital investment, and similar developments that go hand in hand with confidence.

The establishment of a ceiling over imports therefore provides release from such fears and thus promotes economic expansion and a more lively business atmosphere. In helping the domestic economy to a higher activity an import quota system would stimulate foreign trade. That this is not a contradiction in terms follows from the fact that a relatively small volume of cheap imports, offered at low prices, can and often does wreak havoc out of all proportion to the quantities involved. This is because the threat is wide open, unimpeded, and ever present. Domestic industry pulls in its horns. It lays off workers instead of hiring them. It shortens the workweek instead of paying overtime. It cancels or fails to make plans for greater sales.

Limit the imports and the imminence of disaster lifts. The air is cleared, and normal business planning can be resumed. Optimism is free to replace pessimism and uncertainty. Under such circumstances imports can expand without bringing with them the train of forebodings and paralyzing fears that run rampant with unlimited import competition.

Following these objections the Bureau finally comes to the real issue. This is executive control. The report says that the bill is particularly unfortunate in one aspect:

This is the fact that the bill would remove from the President his review of Tariff Commission findings in injury cases.

Here the complaint is on all fours with one of the State Department's objections. This was as follows:

This Department believes that the President alone is in a position to weigh the various considerations of domestic and foreign policy which should be taken into account before any measure, potentially as far-reaching in its impact on our foreign relations as an import quota, is established.

This is a quotation from the State Department's report on the Lanham bill dated April 8, 1957.

The Bureau of the Budget has more to say on the subject. It continues:

The Commission's findings are properly and necessarily based on the economic criteria set out in the law by Congress. However, an action to change the customs treatment of an import, especially the imposition of a quota, may have effects which are beyond the scope of such criteria and the Commission's responsibility.

The Commission's proposal might thus come into conflict with the best interests of this country.

These expressions from the State Department and the Bureau of the Budget put the Congress into a small corner. They assume that the Congress as represented by the Tariff Commission may indeed deal with certain of the smaller and more harmless aspects of the case, but that thereafter the Executive must have the final word.

It is upon this ground precisely that the President has so consistently overruled the Tariff Commission in escape-clause cases. In case after case, the President, after receiving the findings and recommendations of the Commission, has gone outside for new evidence and has brought to bear extraneous considerations.

The effect has been that Congress has regulated our foreign commerce to the water's edge, so to speak. Beyond that the President has taken over.

The Constitution says nothing about Congressional sharing of its responsibility in the regulation of foreign commerce with the President. Much less does it say that beyond a certain point the President is to supersede the Congress. This idea is something that has sprung up in the minds of the executive department officials, trying hard to cling to their usurped powers as the only remaining hope of making their free-trade policies stick.

This is all the more reason why Congress should break the Executive veto. The foreign-trade policy of this country is something for Congress to determine. Foreign commerce is not divisible into 2 parts, 1 part to be regulated by Congress and the other part by the executive branch. Had the Constitution makers intended that Congress be limited in its regulation of commerce to the part that flows among the States, they could easily have said so; but they did not say so. They did indeed give such power to Congress. Interstate commerce is an unquestioned province of the Congress. But in no less unabridged form the Constitution placed the regulation of foreign commerce under Congress. That meant all of it; not the lesser part or the part that is of lesser importance.

This is a fact that the State Department no less than the Budget Bureau try hard to forget. They attempt one way or another to read the President into sharing the Congressional function of regulating our foreign commerce; indeed they seek to throw to him the lion's share.

How do they accomplish this?

In the case of the escape clause, under which Congress established certain criteria for the guidance of the Tariff Commission, the State Department, now echoed in its report by the Bureau of the Budget, injects the President through an artful maneuver upon the scene where his presence is neither intended by the Constitution nor called for by the law.

The door through which they have pushed two successive Presidents since 1951, when Congress first passed the escape-clause amendment, is in the form of the word "may" in place of the mandatory "shall." The law says—section 7 (c), Trade Agreements Extension Act of 1951:

Upon receipt of the Tariff Commission's report of its investigation and hearings, the President may make such adjustments in the rates of duty, impose such quotas, or make such other modifications as are found and reported by the Commission to be necessary to prevent or remedy serious injury to the respective domestic industry.

This permissive phraseology has been interpreted as presenting the President with a hunting license to go into the byways to find outlying and unchallengeable reasons for refusing to accept the Tariff Commission's recommendation that could not be utilized by the Commission itself in reaching a decision.

Not only is this odd procedure, indeed; it cuts the Commission's powers to ribbons. It leaves the Commission completely helpless and wholly at the mercy of the President—and since the Commission is an agency of Congress, it also means the circumvention of that branch of the Government.

Only the State Department, desperate to freeze its grip on foreign trade, could think up such a method of distorting the straightforward procedures that govern hearings, recommendations, and powers residing in the review process, and come up with an intrusive power of the President that could not otherwise be manufactured. Imagine a higher court, in reviewing the judgment of a lower court, concocting and running in new evidence at will; and overruling the lower court for reasons that the latter could not even consider. It is fantastic.

The State Department and others of the executive branch that have upheld the President's slaughter of the Tariff Commission have, in effect, thus amend-

ed the Constitution through their interpretation of the word "may" in the escape clause. They have converted a power of Congress, that is, the power to regulate foreign commerce, into a power of the Executive by riding roughshod over all logic, and over all regular and accepted procedure. They have put the President where he does not belong, through a process of interpretation that makes of a particular philosophy—in this case that of international free trade—an eternal commandment, with all the compulsion of fanaticism.

Justification comes easily then with abject acceptance of internationalism and the lubrication of international relations as the overriding consideration in all cases where internationalism conflicts with domestic considerations. Even then the infringement by the President upon the jurisdiction of Congress is an act that could be condoned only on the crude assumption that the end justifies the means. In other words, while this is an unconstitutional action, the considerations of foreign relations rise above the Constitution. That is all the justification the State Department and the Budget Bureau have to stand on when they say that the President alone can do so and so and that the Tariff Commission must necessarily take a back seat. Of course, such statements are nothing more nor less than bald assertions.

The Budget Bureau further assumes that only the President can interpret the best interests of the American consumer and producer. Having set up the President on the pinnacle in the regulation of foreign trade contrary to the Constitution it goes further and crowns him as the master also of the hither half of foreign commerce. It says:

> The terms on which we are willing to trade with other nations are important to American consumers and producers.

Presumably because the terms of our foreign trade are important neither the Congress nor the Tariff Commission is of sufficient stature to be entrusted with them. The President must therefore intervene.

We end up with the net result that not only must the Tariff Commission and the Congress be ruled out of the international aspects of our foreign trade but also out of the domestic aspects as well, because these are also important.

One thing is clear. Such reasoning does not reflect the confidence in Congress and the ability of our people to govern themselves that we try to sell to other peoples of the world. If self-government is as weak and so little to be trusted as the Budget Bureau's reflection of the State Department's view indicates, we should shut off the Voice of America or use it to tell the other countries of the world that we have been on the wrong track since 1787 when we set up a tripartite system of government. We should tell them to set up business under an overriding Executive because the Executive and not the representatives of the people knows best.

That is the import not only of the Budget Bureau's report on the Lanham General Import Quota bill but also that of the State Department's response.

The Executive attitude has made it very clear that the executive branch wants the Congress to stay out of the field of foreign commerce. Only in this way can the State Department and the free-trade internationalists generally write their own ticket.

DISARMAMENT 1957

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. HOLIFIELD] is recognized for 30 minutes.

Mr. HOLIFIELD. Mr. Speaker, never before in the history of the world has man's technological ingenuity brought him to the verge of his own destruction. We have now been in the nuclear age for 12 years. During these 12 years the destructive threat of the atom has grown from the relatively small explosion that occurred in Japan in 1945 to the huge, almost incomprehensible detonations that shook the Pacific several years ago. Today the people of the United States, indeed, all the people of the world, are confronted with the stark, fearsome fact that another war can destroy civilization. This prospect might not be so frightening if we were not faced with another disagreeable fact and that is that the nations of the world are divided into hostile blocs, one of which is impelled by the urge to win domination and control over the other. Both of these blocs are heavily armed and between them there are frictions and disputes that at any moment, by accident or by design, could cause an all-out war. The prevention of such a catastrophe is the most urgent problem of our time. It is doubly urgent because while only the United States and the U. S. S. R. now have relatively large stocks of nuclear and thermonuclear explosions and only one other country, Great Britain, is just entering the ranks of the hydrogen nations, there is a serious possibility that still other countries will soon fathom the secrets of the atom and achieve the means of making nuclear bombs. If this should occur and the number of countries capable of waging nuclear war should multiply, the dangers of an outbreak of hostilities would likewise be multiplied. The result could be a world in which even a dispute between two minor countries would threaten to set off a world conflagration. Consider for a moment the danger, the irresponsibility of a Nasser possessing atomic-hydrogen weapons.

The peoples of the Free World are profoundly aware of the perils we face. They know that if a nuclear attack should be launched, there is at the present time no military means of frustrating it. If the Red air fleet should send its long-range bombers against the United States or if the Red Navy should dispatch its hundreds of submarines to make a missile attack on the United States, certainly a large proportion of the attacking forces would get through. As military technology stands today, the science of the offense is greatly superior to that of the defense.

Not only would nuclear war itself bring widespread havoc, but even the preparations for such a war incur dread and suffering. The testing of nuclear and thermonuclear devices by American, Russian, and British scientists has spread a cloud of poisonous radioactive particles around the earth, and fallout has become one of the critical problems of our day. It is not my intention, at this time, to examine all of the technical details of the fallout problem. It is enough to say that it is a scientific problem that has grave and far-reaching political consequences. The man on the street in Asia, in Europe, and in the United States, has begun to fear that this mysterious thing called fallout is doing him serious and irreparable injury. He is beginning to fear that not only himself but his children through many future generations will be seriously harmed just by the preparations and tests that the nations of the world are making for atomic war. As a consequence, the public pressures to do something about ending this danger are mounting higher and higher.

Now, we who have studied this matter closely, know that these dangers are real. We also know that in some quarters there has been exaggeration of these perils. But what we do not know is exactly how much danger there is or exactly how far we can go in testing without doing unwarranted harm to the peoples of the world. It seems to me that it is a necessity of the highest priority for the United States Government to get to the root of this problem as soon as possible so that we can make rational decisions on the basis of complete and accurate knowledge. The Soviet Union is playing a propaganda game to the hilt in this question of testing. It is doing everything it can to blacken the United States and the other Western Powers in the eyes of the world for carrying on nuclear tests, while, at the same time of course, it goes right on following a similar policy itself. Unfortunately, because the propagandists in the Kremlin have chosen as one of their prime themes the question of atom tests, there has been some effort—which I am happy to notice has not gotten very far—to pin a Communist label on sincere and reponsible persons who are deeply troubled by this problem. This whole question is one that we must face squarely on its own merits, regardless of propaganda. Those who attempt to smear or to bear false witness in a problem of this gravity are truly enemies of peace and freedom.

It has also been a matter of concern to me that in some quarters there appear to be attempts to play politics with this problem of controlling the atom and instituting a system of arms limitations. I have no doubt that many persons in opposing disarmament are motivated by a genuine solicitude for the security and welfare of our country. They are genuinely skeptical of attempts to control the nuclear threat because they feel that such attempts might be dangerous or unworkable. I respect their opinions, but I do not respect such people when they try to discredit those who have opposite opinions and who are working so hard and seriously to find an exit out of the maze in which we find ourselves. I think that those American officials,

and particularly Mr. Harold Stassen, who have the responsibility for our negotiations on disarmament have been making a strong effort despite innumerable difficulties. They deserve all the support that we can give them at this critical juncture, and I do not believe that political rivalries and jealousies should be allowed to prejudice their work. We must look at this problem in terms of long-range objectives and consider the tremendous issues at stake. Factionalism on this subject is petty and out of place in the long-range aspects of the problem. Undue criticism and sniping at one part of the Government by another part is also hardly consonant with true statesmanship or genuine responsibility. This is one case in which men have got to pull together or disintegrate together.

SOVIET INTEREST

Within recent months a thin ray of light has penetrated into the thick darkness of this question of disarmament. It seems possible that the Soviet Union is now beginning to realize the full implications and the dimensions of the problem of which we in the Free World have so long been aware. We have heard reports that Marshal Zhukov, one of the highest military authorities in the Soviet Union, was commissioned to study the nuclear question and that he has impressed Soviet leaders with the fact that another world war would destroy not only the capitalist enemy but also the Communist homeland. It is now quite possible, some of our best experts believe, that the Soviet Union is willing to do something about curbing the atomic military threat to the world. American representatives in the United Nations subcommittee that has been meeting in London during recent months, seem to feel that a new spirit has entered into the statements of the Soviet diplomats. They feel that perhaps the prospects of some sort of agreement on disarmament are better than they have ever been before. I fully realize that the Soviet leaders know how to play on many propaganda keys and that this may be just a new chord in their repertoire. Nevertheless, this may be the opportune moment for which the Western nations have been patiently waiting these many years. The negotiations in London have now entered a crucial phase and I would like to avail myself of this occasion to review the question of disarmament as it now stands, the principal issues where we and the Communists agree and disagree, and what the prospects might be for a mutual understanding.

UNITED NATIONS DISARMAMENT NEGOTIATIONS

The record of disarmament negotiations in the United Nations has been long, and thus far, fruitless. For years the United States and other Western negotiators have patiently plodded ahead in spite of the most discouraging lack of cooperation from the representatives of the U. S. S. R. Again and again, the men of goodwill in the West painstakingly drew up plan after plan in an effort to dispel the menacing cloud overhanging the world, only to see them dashed into futility by the intransigence of the Kremlin.

The United Nations negotiations were characterized during most of the postwar period by efforts to put into operation total and comprehensive disarmament systems, providing for prohibition of the manufacture and use of fissionable materials for war purposes and for drastic cutbacks in military forces and armaments, all under elaborate international machinery of inspection and control. In all these years if any one issue can be singled out as having been of prime importance it was that of adequate inspection. The Western Powers quite properly insisted upon adequate methods of inspection as a safeguard against evasion of a disarmament agreement. If there were reliance on good faith alone, the Soviet Union could readily and secretly break its pledges behind the concealment of the Iron Curtain. The Soviet Union, while it made propaganda out of its pretended willingness to submit to adequate inspection, never really made any concessions that would have allowed Western penetration of the shroud of secrecy which it had thrown over its people and territory.

Within the past 2 or 3 years, however, disarmament negotiations have undergone a marked change, and, in my opinion, a change for the better. In the first place, both sides have all but abandoned, except as a theoretical long-range aim, the purpose of instituting now a comprehensive disarmament system. Today, the emphasis is being placed on partial first steps on the theory that these are more readily achievable and that they can lead to more important steps later on. The reason for this shift is a sort of mutual acknowledgment that differences are now too great and that it is futile to try to get agreement on a comprehensive plan at this time. Moreover, there is mutual recognition that it is not possible at this time to have an effective control system for completely outlawing nuclear materials for weapons purposes. For technical reasons it is at present impossible for an inspection system to detect all existing stocks of atomic materials.

In addition, evolving political conditions have encouraged a change. The United States has become increasingly anxious to make some kind of start toward a solution of the disarmament question as year by year the relentless atomic-energy production lines have added to the existing stockpiles of weapons materials. The world's growing concern over the problem of radiation and fallout from continuing weapon tests has also influenced American policymakers and impressed upon them the urgency of the problem. The proposal of the United States in 1955 for mutual aerial inspection—the open-skies plan—was a major effort to break the disarmament impasse by concentrating on the vital point of preventing surprise attack. While this was not a direct proposal for disarmament, its adoption would have had much of the same effect of a disarmament agreement, for it would have removed much of the surprise element from existing armed forces and armaments and would also have had the advantage of creating an atmosphere of cooperation and mutual confidence in which substantial disarmament might have become more feasible. But although the Soviet Union rejected this plan, the United States continued to chip away at the problem by offering to conclude agreements on partial steps that would drive an opening wedge into the hard wall of Soviet opposition.

The American and Soviet proposals and counterproposals have now developed into a tentative first step disarmament agreement which it is hoped can break the ice which has frozen negotiations for a dozen years. It would prepare the way for a later more comprehensive agreement.

As the issues now stand, both sides, although in some respects remarkably close together, are still separated by gulfs that might in the end prove unbridgeable. In any case, the Soviet Union has in the last few months dropped many of the cliches which have been the backbone of its proposals for years; has shown a more conciliatory attitude. They have now manifested a disposition to agree with certain western proposals which they have long cold-shouldered. The prospects, therefore, of an agreement appear brighter than before.

ANALYSIS OF PRESENT POSITIONS

The proposals of both sides are constantly evolving and, inasmuch as the negotiations of the U. N. Disarmament Subcommittee in London are under the injunction of privacy, indirect newspaper reports are often the only available sources of information. But as far as we can tell from published official statements and unofficial newspaper reports the positions of the two sides are now as follows:

In regard to fissionable materials, that is, materials for nuclear bombs, shells, and warheads, the United States is aiming at a ban on their future production under adequate international inspection. While an agreement of this type would still leave existing stockpiles untouched, it is the intention of the United States that eventually the nations should agree to make transfers from these stockpiles to peaceful uses. At present there is no foolproof means of inspecting existing stockpiles to make sure that all stocks are accounted for, but the hope is that some scientific breakthrough will eventually provide a key to this difficulty, that in the end all fissionable materials can be outlawed for belligerent purposes, and that effective ironclad controls can be placed over this prohibition. These latter, however, are goals for the distant future.

Right now the eyes of the world are focused on the question of banning nuclear tests. The American position on this appears to be that there should be no permanent ban on tests until there is an effective agreement for halting future production of fissionable material for war purposes. In regard to a temporary suspension of tests, however—and this is one of the acute points on which the current London negotiations appear to hinge—the United States appears willing to suspend tests for 10 months or a year, but not for the 2- or 3-

year period proposed a few weeks ago by the Communists.

One of the main reasons for American reluctance to accept the longer period suggested by the Kremlin is that if tests were suspended for a lengthy period there would be danger that our scientific organization and staff for atomic research and development might be undermined or dissipated. Incentive for continued research could be prejudiced if such research could not terminate in actual field tests. Many of the Government's atomic scientists might consider it more satisfactory careerwise to shift to other enterprises. Moreover, if tests were banned for a long period, some of our military leaders fear that public interest in continued atomic development might wane and support for the nuclear weapons program might diminish. The Soviet Union, as a totalitarian state with directed employment, does not have to concern itself with public opinion. The result could be that, if the ban on tests were lifted at the end of the temporary suspension period or if the Soviet Union should suddenly choose to ignore the ban, we could find that the whole experiment had ended in a net advantage for the Soviet Union and that the Communist atomic physicists had stolen a march on us in the competition for nuclear supremacy. This whole question therefore has to be handled with the utmost caution.

Another problem related to the suspension of nuclear tests is whether such a suspension should be linked with an agreement to halt production of nuclear weapons materials. On June 25 the Secretary of State told a press conference that the United States did not necessarily want a cutoff of future nuclear production coincidental with a suspension of tests, but only an agreement to cut off production at some future date. The Soviet Union has given no indication that it will acquiesce in such a pledge. Whether the representatives of Washington and Moscow can come to an understanding on this particular point will depend on many things. For instance, how strict a pledge will the United States demand for a production cutoff? Will the United States insist on a specific date for a cutoff or will it accept a more general and less definite commitment? It seems dubious whether Moscow will unconditionally commit itself at this time to a definite date for putting an end to the manufacture of nuclear explosive material. If this happens the United States will have to weigh the relative advantages and disadvantages of temporarily suspending tests, without the promise of a cutoff date.

Just how important is it that any temporary outlawing of tests be linked to an agreement to end atomic production? As far as I can tell, no executive official has ever publicly explained why an agreement to end nuclear production should be tied to a treaty to suspend tests Incidentally, I might interject at this point, that I think it an error for the United States Government to take positions on various facets of the disarmament question without adequately explaining them to the American public. This question of disarmament touches each American so vitally that I think there should be far greater effort to explain to the public the reasoning behind our policy. Broad understanding will not impede our disarmament purposes, but sustain them. If such understanding is lacking, serious harm might be inflicted upon the ultimate success of the disarmament negotiations.

Let us consider the complexity of the problem of cessation of bomb testing without stopping the production of nuclear bomb material.

First. Continued production of bomb components and nuclear material would increase each nation's stockpile of weapons.

Second. A growing stockpile of 1957 model weapons would not lessen the likelihood of nuclear war.

Third. Even though we cease bomb testing for 10 months or a year, continued research and development of weapons would apparently continue and the pressure to use additional material and new bomb components would continue to grow.

So we must conclude that to stop the nuclear arms race, we must stop bomb testing and bomb material production concurrently or within a close time period.

This explains another factor which enters the United States position in regard to a temporary halting of tests and that is the desire to make sure that the first disarmament step will not be the last step, in other words, that it will lead on to other, more significant agreements later on. That apparently is a reason why the United States is trying to get an agreement now from the Soviet Union on a cutoff of production—not because it is absolutely necessary at this point but because we want to use the first stage agreement as a springboard for later progress.

INSPECTION PROBLEM

Still another problem in connection with a temporary suspension of nuclear tests is that of inspection. There is general agreement among scientists that large nuclear or thermonuclear explosions of multimegaton capacity can be expected anywhere in the world.

It may become possible in the future to conceal such explosions. In science anything can happen. If radioactive products are greatly reduced or eliminated from nuclear explosions, this would impede detection. There is also general agreement among scientists that as one travels down the scale of nuclear explosions the possibility of detection from a distance becomes less and less until a point is reached at which there is no possibility or at least no certainty of being able to detect the smaller test detonations. It is quite obvious, therefore, that suspension of all nuclear experimental explosions will require inspectors in the countries concerned in order to assure that there will be no evasions. The Soviet Government has asserted that it is willing to permit ground inspectors on its soil to check on a temporary test ban. This is encouraging, but it still remains to be seen on just what terms and in just what localities Moscow is prepared to admit such inspectors. It has often happened, in negotiations with the Soviet Union, that it appears to agree with something in principle, but when the details are explored, it is found the Communists are really not willing to assent to terms that are practical or realistic.

In a suspension of all tests, it will be essential to have a truly effective inspection system in the countries concerned or an agreement on such a suspension will not be acceptable.

Recently it has been argued, by some of our distinguished atomic scientists, that it would be unwise to suspend atomic testing at this time because they strongly believe it is possible, through continued research and testing, to perfect a clean bomb. That is, to eliminate the radioactive fallout which has made testing such a crucial political issue. This is an appealing argument and, for certain tactical military reasons, it is very desirable for a clean bomb to be developed. We should note, however, there is no guaranty that other nations will develop or use clean bombs in a future war.

Other considerations enter the picture. The political desirability of making some progress in the direction of disarmament is so great we must press ahead with our proposals to suspend tests under proper safeguards.

The goals of peace must take precedence over the goals of destruction. Secondly, even if tests are suspended, it would still be possible to go forward with the drawingboard plans for a clean bomb. Assuming that tests are only temporarily suspended, at some future point in our relations with the Soviet Union in regard to disarmament, we are going to reach a crossroads.

We are either going to decide it is prudent and feasible to travel forward and enter more substantial agreements with the Soviet Union, or we are going to decide that initial disarmament steps have been futile and are leading us up a blind alley.

In the former case, the possibility of a nuclear war will have so retreated that the question—whether bombs can be made clean or not—will become less urgent. In the latter case, we should certainly resume our testing, and our endeavors to develop atomic explosives with or without radioactive effects, could go forward unimpeded.

CONVENTIONAL ARMAMENT REDUCTION

The problem of limiting military forces and armaments is only a little less acute than that of controlling nuclear explosives. Since there is little likelihood that in the near future atomic shells and bombs will be eliminated from the arsenals of the great powers, the control of armaments that are the means of delivery of these massive explosives, is of major importance.

Obviously, no atomic bomb or no missile with an atomic warhead can at present be fired onto the shores of the United States unless it is brought by plane or submarine. No atomic shell can be fired at troops of the United States nor its allies, unless there is artillery to fire them. Moreover, no plane, no submarine, or no cannon can

be operated unless there is trained manpower available to do so.

Consequently, the proposals for control of military forces and arms, although at first blush may not seem as vital as those for restricting weapons of mass destruction, nevertheless, if they can be limited, this will automatically place limits on the means of waging atomic war.

The United States and the Soviet proposals on military manpower and armaments, although they reflect some degree of agreement, are based on a somewhat different approach. In brief, the Soviet Union is seeking drastic cutbacks in manpower and arms, whereas the United States wants to approach the issue more cautiously and would like to start off with only a relatively small first step.

Two factors seem to have a controlling influence on the approach of the United States. The first is a strategic consideration. The defenses of the Western World are constructed in a framework of alliances of which the United States is the heart. Without Armed Forces and corresponding armaments of a certain quantity, the United States would find it difficult to meet its farflung defense commitments.

The Soviet Union on the other hand, is striving for a large reduction of armed manpower and arms, because, as it has frankly implied in a published memorandum, April 30, 1957, it would like to get United States forces out of the foreign bases that support the western defense alliances.

RELATED POLITICAL PROBLEMS

The existence of many unsolved political problems around the globe, also conditions the United States position on manpower and arms reductions. The Western Powers fear a major letdown in political tension, following upon the heels of a disarmament agreement, would freeze the status quo on outstanding political questions like the reunification of Germany. A large cutback in standing armies and armaments would, they apparently feel, be the equivalent of conceding that the Communists could remain in possession of the gains they have unjustly made over the last decade and a half. Such an agreement, they believe, would be nothing less than appeasement.

On the assumption, therefore, that, in the absence of political settlements, initial reductions should be minor, the United States has proposed the figure of 2,500,000 men as the level of manpower for the United States and the U. S. S. R. at the first stage. This compares with a present manpower strength of 2,800,000 for the United States and, presuming that the Soviet Union has made the reductions which it announced in 1955 and 1956, approximately the same strength for the U. S. S. R.

In contrast to the United States, the Soviet negotiators have insisted on a much lower level of 1,500,000 men. Although they have asserted they would be willing to go along with the level of 2,500,000 as a first step, they do so only on condition that a commitment is made to go on later to the level of 1,500,000 they advocate.

The Kremlin's demand for manpower levels much lower than those advocated by the United States, is undoubtedly a skillful propaganda maneuver. They undoubtedly feel safe in the knowledge that American policy cannot accept such a level under the conditions they have postulated. They know the American Government cannot agree to large reductions of manpower and weapons unless political and military conditions are such that the American people and their allies can have assurance they are not being led down the dishonorable road of appeasement.

Very recently the United States has proposed that it would be willing to move on to second and third steps of 2,100,000 and 1,700,000 men, respectively, provided important political problems are previously resolved.

These new proposals could take much of the steam out of Soviet propaganda, for numerically, at least, the suggestions of both sides are now very close together. But the principal issue is still without a solution. That is to what extent any but the first step of manpower and arms cutbacks should be tied to political settlements.

The United States has not spelled out, except for German unification, what political settlements should be made, nor what degree of relaxation of political tension will be necessary before it is ready to pass beyond an initial arms agreement.

The Kremlin's representatives have not agreed to the need for political settlements and seem chary of entering into an agreement based on such an understanding.

This collision of views is one that might prevent the conclusion of even a first step agreement. Even if this problem can be avoided at the first stage, it inevitably will have to be faced at subsequent stages. The dilemma is simply—which should come first—political settlements or disarmament?

This dilemma bids fair to assume the same fundamental importance as the dilemma which complicated disarmament discussions between the two World Wars—which should come first, security or disarmament? In time, this dilemma was resolved in favor of security. The dilemma of our time will also have to be solved or civilization itself might be annihilated while the diplomats hang helplessly on the horns of indecision.

The United States can take at least one step toward a solution by defining, more clearly and precisely than it has up to the present, its position on political settlements.

PROBLEM OF MUTUAL INSPECTION

The third principal phase of the disarmament negotiations centers on the proposals for inspection against surprise attack. The idea of mutual aerial surveys to prevent surprise attack opened a new chapter in the disarmament negotiations. This attempt by the United States to break a decade of disarmament deadlock called for mutual surveillance by aircraft of the territory of the U. S. S. R. and the United States, so that preparations for aggression could not be made in secrecy. Since much of the efficacy of the strategy of nuclear weapons depends upon their employment in surprise attack, the so-called open-skies plan, would, if agreed to, greatly reduce the chance of nuclear war.

The Soviet Union, for almost 2 years, heaped scorn on the aerial survey plan and charged it was a device for spying on the Soviet Union. They attempted to counter it with proposals for ground inspection at key transportation and communications centers. However, the United States immediately agreed that the Soviet ground inspection plan would be acceptable along with the aerial inspection system.

The first break in Soviet opposition to the open-skies plan occurred in the latter part of last year when Premier Bulganin suggested air surveys over a zone in Central Europe for about 500 miles on each side of the Iron Curtain line. This manifestly gave the Soviet Union more of an advantage than it did the western nations and they rejected it. But this suggestion, nevertheless, created an opening and in the London disarmament talks this spring, Mr. Stassen informally suggested zones of inspection in Europe, as well as in the Pacific covering Alaska and part of Siberia.

The Soviet Union then countered with proposals for another zone in Europe, including a small portion in the west of the Soviet Union, as well as part of eastern Siberia and about two-thirds of the United States.

These proposals and counterproposals led to a widespread belief that, at last, the Kremlin might be seriously attempting some sort of agreement on limited inspection zones.

The switch in the attitude of the Russians did not change the fact, however, that putting even a very limited system of aerial and ground inspection into effect would be complex. If there were to be provisions on establishment of an inspection zone in a first-stage agreement, it was obvious they would have to be as simple, uncomplicated and noncontroversial as possible, or negotiations might stretch out indefinitely.

With considerations such as these apparently in view, our Secretary of State finally suggested it would be much more feasible to initiate a zonal inspection agreement in a relatively unpopulated area, like the Arctic, rather than in more populous regions where there would be more political and other complications. This still appears to be the position of the United States, although there are reports that this country would also be willing to include a zone in Europe, provided the nations of that region would so agree. So the bargaining continues, while the world's nuclear stockpile grows.

There is still a gulf between the United States position and that of the Communists. Khrushchev has laughed in ridicule at the American proposals for the Arctic, and Foreign Minister Gromyko has also insisted that any inspection of the Soviet Union would have to be matched by equal areas of the United States.

If this principle of equal areas were carried to its logical conclusion, it would mean that eventually all of the United States would come under survey, but

only a part of the geographically much larger Soviet Union. Obviously such a principle is absurd and we cannot acknowledge it as one that will govern negotiations on this subject.

The principle of equal geographical areas can be resorted to in initial stages when it is merely a question of laying out very restricted zones of inspection, but at later stages there will have to be proportionate give and take by both sides on more pertinent issues than square miles of wasteland.

Some sort of inspection zones must be arranged in a first-step disarmament agreement. Inspection zones will help to establish confidence and, because of their tendency to reduce the usefulness of those military forces and facilities in the inspected zones, will encourage a disposition on both sides to eventually do away with such forces and facilities.

It seems to me that, in this matter of inspection zones, the American people will have to think through the implications of what establishment of such zones will mean to them, not only in their everyday life, but also what international inspection will mean for their children. We can never expect the Soviet Union to accept such zones on its own territory, unless we are prepared to make a similar concession.

Thus, on the three phases of the disarmament question—atomic controls, limitation of manpower and arms, and institution of mutual inspection—there is enough agreement between the United Nations Disarmament Subcommittee members to instill hope that a first-stage disarmament plan can be evolved in the not-too-distant future. There are still, however, significant differences to be ironed out, and the next few months should tell whether the Soviet Union really means business this time.

If negotiations are ever to bear fruit in a first-step agreement, it is necessary for the United States, the other western countries, and the Soviet Union not to be too rigid in their demands and to manifest flexibility and reasonableness. We cannot foresee today what the Soviet Union will do, but it is in our power to make our own position responsible and conciliatory. This can be done without sacrificing any of the vital interests of our Nation. In fact, wise diplomacy can preserve our Nation.

Whatever is agreed upon in a first step should rest upon the following principles:

First. We cannot endanger our national security. Concessions must be balanced and fair to both sides and there must be adequate inspection where necessary. Any disarmament plan that resulted in insecurity for one of the parties would be a delusion, for insecurity would only be an invitation to aggression.

Second. The first step plan itself should be integrated and balanced. For instance, it would be a mistake to agree upon some measure that would weaken our atomic advantage if the other parts of the plan did not offer compensating advantages. Moreover, we should not expect immediate agreement on a complete plan of international disarmament, for this would risk failure and failure might destroy for a long time any prospects of ever achieving a successful disarmament agreement.

Third. A first step plan should include terms tying it to additional steps to be taken later on. We must be alert to the possibility that once a first step plan is effected, interest in further disarmament could fade. We might be lulled into a state of false security before all danger of nuclear catastrophe is totally eliminated.

Negotiations of a first step will require much time, more patience, and the utmost of understanding. We face a formidable task in breaking down the resistance of the Soviets to a reasonable disarmament agreement.

Experience has shown if you can outsit the Russians, if you are persevering enough, and if you maintain your strength, there is always a possibility you can break through their armor and establish a workable agreement.

The thought of the indescribable horror of a worldwide nuclear war, in which no nation could emerge as victor, should drive the leaders of all nations toward the establishment of international peace.

THE LATE HONORABLE EARL CORY MICHENER

The SPEAKER pro tempore. Under previous order of the House, the Chair recognizes the distinguished gentleman from Michigan [Mr. MEADER] for 15 minutes.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks; and at my request all Members be given permission to extend their remarks on the life and services of Earl C. Michener and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, the Nation last week lost one of its distinguished elder statesman, Earl Cory Michener, a member of the House for 30 years. Earl died at the age of 80, a respected, alert, elder statesman, dear to his fellow citizens of Adrian, Mich., and valued by them for his sound advice and counsel. He died sometime last Thursday night, at the Lenawee Hotel in Adrian, Mich., a scant 10 days after the death of his wife.

I personally attended the funeral at Adrian, Mich., last Monday afternoon.

Earl Michener was a diligent, courteous, judicious Congressman. He was an able parliamentarian. He deserved and enjoyed the respect of his colleagues. He served as a member and chairman of two of the most powerful committees of the House, the Rules and Judiciary Committees.

It was my privilege to succeed Earl in Congress following his retirement in 1950.

A veteran, Earl served with distinction in the Spanish-American War. He enlisted in Company B, the 31st Regiment of the Michigan Volunteer Infantry at the age of 21. The company was mustered into Federal service May 8, 1898, at Island Lake, Mich., went to Cuba and returned to this country where Earl was separated May 17, 1899.

He was born in Seneca County, Ohio, November 30, 1876, and moved to Adrian, Mich., in 1889. He was a son of Valentine A. and Sarah Adelia Michener and attended Adrian public schools. A law graduate of what is now George Washington University here in Washington, he also attended the law school at the University of Michigan at Ann Arbor. Earl practiced law, also with distinction, at Adrian following admission to the Michigan bar in 1903.

On June 11, 1902, he married Belle Strandler, who died only last June 24. A daughter, Mrs. Charles Quick, of Detroit, survives.

Earl began his public career as assistant prosecuting attorney for Lenawee County, Mich., a position he held from 1907 until 1910. He was elevated to prosecutor in 1911 and served for 3 years in that capacity.

His long service in Congress began with the 66th and he was defeated narrowly for reelection to his 8th consecutive term in 1932. He reentered Congress in 1934 after a strong comeback at the polls and served consecutively until his retirement in 1950.

Earl was one of 7 managers for the House in the 1926 impeachment proceedings against George W. English, judge of the United States District Court for the Eastern District of Illinois. Proceedings against Judge English, charged with improper conduct on the bench, were dropped when the judge resigned.

Earl contributed much to his community as a member of the Sons of the American Revolution, the Presbyterian Church, the Knights of Pythias, the Benevolent and Protective Order of the Elks, and the Rotary Club.

I express my sympathy to Congressman Michener's daughter, Mrs. Charles Quick, of Detroit, Mich., in the loss of both her parents a week apart, for whom she had cared so solicitously for so many years during Mrs. Michener's prolonged illness.

Mr. BETTS. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. BETTS. Mr. Speaker, I have always been extremely proud of the fact that Earl Michener was born in Attica, Ohio, which is in the Congressional district which I have the honor to represent. I am sure all of my constituents share this pride with me.

I was never too well acquainted with Mr. Michener, but I certainly should like to take this opportunity, Mr. Speaker, to pay tribute to a distinguished native of the eighth district who made such a distinct and brilliant contribution to the life of the Nation here in the House of Representatives.

Mr. MEADER. I thank the gentleman from Ohio.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Mr. Speaker, I was, indeed, sorry to learn of the passing of my late great and good friend, Earl

Michener, of Michigan. When I came to Congress, he was chairman of the Committee on the Judiciary, the committee to which I was assigned.

I have had considerable legislative experience at both the State and National levels, but in all of that experience I served under no person who had a keener sense of fairness, or greater ability, or in whom his colleagues had more confidence.

As the gentleman who now has the floor has said, Mr. Michener was a great parliamentarian and his influence in the House and in the Congress, in general, will live long after his passing.

Mr. MEADER. I thank the gentleman for those remarks. I wonder if I might inquire of the gentleman, since he served under the late Earl Michener when he was chairman of the Committee on the Judiciary of the 80th Congress, whether or not Mr. Michener in that capacity had a considerable role to play in the adoption of the amendment to the Constitution concerning the tenure of Presidents and succession to the office of the Presidency?

Mr. McCULLOCH. I think he had a great deal to do with that proposal. His ability and his discerning attitude in such matters I think played a large part in bringing about the amendment to which the gentleman from Michigan [Mr. MEADER] has referred.

Mr. MEADER. I thank the gentleman. Mr. Speaker, under leave to extend my remarks, I include the following editorial from the Adrian Daily Telegram of July 6, 1957:

EARL C. MICHENER

Earl C. Michener, who died in his sleep here Friday, was proud of his record of service to the second district during 30 years in Congress. He likewise was proud of his position in the Republican Party, and the influence that he exerted on other Congressmen. After 30 years in Congress, and as one of the time-tested deans of that body, his influence was great indeed.

Mr. Michener was proud of his career because he knew, his district knew, and his fellow Congressmen knew, that he served with great distinction. Very few men in public life have served one constituency as long, and as faithfully and with such complete satisfaction. He made an honest, intensive and full business of Congressional work. Yes, he returned to his district to campaign. But so great was his strength, and so commendable was his record that, year after year, the announcement of his candidacy was tantamount to nomination and election. He thus found it possible to devote most of his time to public service. It wasn't necessary to spend weeks and months at home in efforts to get elected and reelected.

Only once from 1918 to 1950 was he rejected by the voters of the second district. That was in 1932 when President Roosevelt scored his first big sweeping victory in the depths of the depression. But Mr. Michener was back in Congressional harness again after the 1934 election and there he remained until he voluntarily retired in 1950.

As the years rolled by Mr. Michener was sought for advice and guidance by younger Congressmen. He held the chairmanship of one of the most important House of Representatives committees, the Rules Committee. He was a member of the Judiciary Committee. It was his hand that guided and steered legislation. It was his support that was sought on important issues. And on various occasions he was honored as the man selected to preside over the House in the absence of the Speaker. Mr. Michener was proud of all these honors and prestige because he earned them by long, hard, conscientious attention to the business of Government.

But perhaps Mr. Michener's greatest satisfaction came from the friendships that he made in Adrian and his district over the years. He was "Earl" to everyone, Republican and Democrat alike. No problem and no request from a resident of his district was too big or too small for him to handle. He knew his district from Monroe to Hudson and from Ann Arbor to Jackson as few Congressmen know their districts. He made it a business to know about his district through the religious reading of its newspapers and through a great volume of correspondence with friends and constituents. For many years there were very few families, in times of death and sorrow, that didn't receive a letter of sympathy from Mr. Michener. And it was a personal letter, based on personal acquaintanceship with the family involved. The people of his district loved him for it.

It is not unusual for men to build careers of great success in their chosen fields. It is not unusual for men to gain national reputations in government, or in business or the literary world. And likewise it is not unusual for men to have many friends and to be highly regarded in their home communities. But it is something of a rarity when men rise to high places of national distinction and at the same time maintain all of their friendships and contacts at home. Mr. Michener did that, and to an almost unbelievable and complete degree.

He seldom walked across the street from his hotel to his office without stopping to visit or discuss a problem with someone. He sometimes stopped 3 or 4 times, and sometimes was late for lunch, when he walked a block from his office to his favorite cafeteria. The same was true when he visited other 2d district communities outside of Adrian. And in all probability this warm and friendly reception at home gave him more satisfaction than the honors and prestige accorded in Washington. Earl was that kind of a man.

EUROPEAN PRACTICES FOR PURCHASING STEEL SCRAP FROM THE UNITED STATES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 10 minutes.

Mr. PATMAN. Mr. Speaker, the House Small Business Committee has a letter dated July 10, from the Acting Assistant Secretary of State, the Honorable John S. Houghland II, which will be of interest to those Members who have been concerned about the problems reported by the scrap dealers. There are some 4,000 independent scrap dealers in the United States, and there is at least one of these essential small-business firms in almost every Congressional district.

The letter from the Acting Assistant Secretary of State contains a communique dated July 4, from the President of the High Authority of the European Coal and Steel Community, Mr. Rene Mayer. The communique describes the purpose of a meeting of the High Authority being held today, July 11, in Luxembourg. The purposes are to work out detailed procedures and criteria for purchasing scrap in the United States, so that all American scrap suppliers of sound reputation may have equal access to the markets of Europe, on a nondiscriminatory basis.

THE BUYING CARTEL

The European Coal and Steel Community is a kind of a supernational state insofar as the coal and steel industries of six European countries are concerned. The Community was formed by treaty, entered into by the governments of the six countries. Its purpose is to eliminate trade barriers between the countries, to create one common market, and to maintain in these industries fair and open competition, as contrasted to the cartel method of doing business which commonly prevailed prior to World War II. Adoption of the principles set out in the treaty is one of the great progressive steps taken by the peoples of Europe following World War II. In many respects, the principles and the spirit of the treaty emulate the principles of free competitive enterprise to which we are supposed to be dedicated and are sometimes, to a degree, dedicated in this country. The Community is made up of the coal and steel industries of France, Western Germany, Italy, the Netherlands, Belgium, and Luxembourg. These countries comprise one of the largest foreign markets for United States scrap.

The high authority, which is the governing body of the community, does, however, permit an exception to the general rule against cartels. This exception applies to a private cartel organized for the purpose of purchasing steel scrap from countries outside of the community. Furthermore, this cartel has, since its organization a few years ago, purchased scrap in the United States on what appears to be a highly restrictive basis. In fact, after this Government's limitations on exports were removed at the end of 1953, the cartel's original method of purchasing steel scrap in the United States was to enter into an exclusive contract with a very small combine of United States scrap companies. The combine included, in name at least, 3 companies—although in fact, substantially all of the business was done with a single company which is dominant in the United States scrap business.

In our recent investigations, the House Small Business Committee has gone into this matter rather thoroughly; and on June 21, the Assistant Secretary of State, the Honorable Thorsten V. Kalijarvi, informed the committee of a message from the high authority promising to prescribe purchase methods for the cartel which would open up European markets to members of the United States trade, on a nondiscriminatory basis.

UNITED STATES POLICY TO ENCOURAGE COMPETITIVE ENTERPRISE

It has been the historic policy of the American Government to try to encourage the adoption of the principles of free competitive enterprise abroad, and particularly, to encourage on the part of foreign governments an open-door policy toward United States business firms.

Furthermore, beginning with the close of World War II, our Government, through our State Department, adopted a conscious and concerted policy of trying to encourage free enterprise methods abroad, particularly in friendly countries, and to encourage expansion of international trade. This policy has also been legislated by Congress and is spelled out in the Mutual Security Act. There is considerable objective fact to support the faith, which many of us have, that free competitive enterprise as contrasted to monopoly, quasi-monopoly and cartel arrangements, not only produces the greatest economic progress, but is directly associated with, and is the best safeguard to, political freedoms.

The letter from the Acting Assistant Secretary of State quoting the communique from the president of the high authority is as follows:

DEPARTMENT OF STATE,
Washington, July 10, 1957.

The Honorable WRIGHT PATMAN,
House of Representatives

DEAR MR. PATMAN: Reference was made by Mr. Thorsten V. Kalijarvi, Assistant Secretary of State for Economic Affairs, in a statement before the House Select Committee on Small Business on June 21, 1957, to the fact that the high authority of the European coal and steel community was undertaking to formulate detailed criteria and procedures to be followed with respect to the community's scrap purchases in the United States. In this connection, the Department has received an unofficial translation of a communique signed by the president of the high authority, Rene Mayer, dated July 4, 1957, which may be of interest to you.

The text of this communique is as follows:

"The Council of the Common Office of Scrap Consumers (OCCF) of the community met on June 28 in Baden-Baden in the presence of the director of the market division of the high authority.

"The latter informed the council that, in consideration of the facts alleged before a special committee of the American Congress with regard to the purchase policy of the OCCF, it was advisable to revise and to define more accurately the rules that should govern scrap purchase operations in the United States of America. The chiefs of delegation of the OCCF Council are invited to Luxembourg on July 11, in order to complete the drafting of the directives that confirm, while defining more accurately, the principles under which the commercial policy for scrap purchases in the United States should be conducted.

"In conformity with the principles defined by the American Government before the special committee of the Congress, as well as those stipulated in articles 3 and 4 of the treaty establishing the European coal and steel community, these principles, whose methods on application will be made known to the American circles concerned by the OCCF after the meeting of July 11, include equal and non-discriminatory access for any scrap supplier of sound reputation in the trade, purchases to be decided on conditions most favorable for the consumers of the community on the basis of a certain number of technical and commercial criteria applicable to all, maintenance of normal competition between the scrap suppliers to the community."

If you have any questions regarding this matter, the Department will be pleased to be of service to you.

Sincerely yours,

JOHN S. HOUGHLAND II,
Acting Assistant Secretary for Congressional Relations.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. COUDERT (at the request of Mr. MARTIN) on account of illness in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. ROGERS of Massachusetts, for 5 minutes, today.

Mr. PATMAN, for 10 minutes, today, and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. ROONEY to revise and extend the remarks he made in the House in eulogy of Herve L'Heureux and include two newspaper articles.

Mr. MINSHALL and to include an address by Mrs. BOLTON, of Ohio.

Mr. SIEMINSKI (at the request of Mr. HALEY) and to include extraneous matter.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 632. An act to amend the Federal Crop Insurance Act, as amended; and

H. R. 7238. An act to give the States an option with respect to the basis for claiming Federal participation in vendor medical care payments for recipients of public assistance.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 632. An act to amend the Federal Crop Insurance Act, as amended; and

H. R. 1359. An act for the relief of Mrs. Theodore (Nicole Xantho) Rousseau.

ADJOURNMENT

Mr. HALEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 1 minute p. m.), the House adjourned until tomorrow, Friday, July 12, 1957, at 12 o'clock noon.

MOTION TO DISCHARGE COMMITTEE

MAY 15, 1957.

To the CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of rule XXVII, I, T. A. THOMPSON of Louisiana, move to discharge the Committee on Rules from the consideration of the resolution (H. Res. 249) entitled, "A resolution providing for the consideration of the bill (H. R. 2474) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department," which was referred to said committee May 6, 1957, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. T. A. Thompson.
2. Kathryn E. Granahan.
3. Elizabeth Kee.
4. Elmer J. Holland.
5. Hugh J. Addonizio.
6. Chester E. Merrow.
7. Alfred E. Santangelo.
8. Edna F. Kelly.
9. Cecil R. King.
10. James C. Auchincloss.
11. Gordon Canfield.
12. Thomas M. Pelly.
13. Roy W. Wier.
14. Edith Nourse Rogers.
15. Richard Bolling.
16. William J. Green, Jr.
17. Melvin Price.
18. Sidney R. Yates.
19. Eugene McCarthy.
20. John Lesinski.
21. Byron G. Rogers.
22. George M. Rhodes.
23. Vincent J. Dellay.
24. Samuel N. Friedel.
25. Coya Knutson.
26. Robert C. Byrd.
27. Barratt O'Hara.
28. John J. Rooney.
29. Wayne N. Aspinall.
30. Clyde Doyle.
31. Usher L. Burdick.
32. Michael A. Feighan.
33. James C. Healey.
34. Laurence Curtis.
35. Florence P. Dwyer.
36. Leonor K. Sullivan.
37. Martha W. Griffiths.
38. Thomas P. O'Neill, Jr.
39. Carl D. Perkins.
40. William B. Widnall.
41. Isidore Dollinger.
42. James E. Van Zandt.
43. Thomas J. Lane.
44. Charles H. Brown.
45. Earl Chudoff.
46. Charles A. Boyle.
47. Thor C. Tollefson.
48. Harold D. Donohue.
49. Paul A. Fino.
50. Harold Collier.
51. Frank C. Osmers, Jr.
52. George H. Christopher.
53. Henry S. Reuss.
54. Robert H. Michel.
55. Charles A. Vanik.
56. Victor L. Anfuso.
57. Leonard Farbstein.
58. James A. Byrne.
59. Chet Holifield.
60. James T. Patterson.
61. Philip J. Philbin.
62. Abraham J. Multer.
63. Francis E. Dorn.
64. John Jarman.
65. George P. Miller.
66. Edward P. Boland.
67. James G. Polk.
68. Torbert Macdonald.
69. Emanuel Celler.

70. James Roosevelt.
71. Gardner R. Withrow.
72. Albert P. Morano.
73. Edwin H. May, Jr.
74. Louis C. Rabaut.
75. William H. Natcher.
76. John C. Kluczynski.
77. Clement J. Zablocki.
78. Lee Metcalf.
79. John D. Dingell.
80. Edward A. Garmatz.
81. Richard E. Lankford.
82. Harley O. Staggers.
83. Frank M. Karsten.
84. Alfred D. Sieminski.
85. Edith Green.
86. A. S. J. Carnahan.
87. John E. Moss.
88. D. S. Saund.
89. Winfield K. Denton.
90. Frank Thompson, Jr.
91. B. F. Sisk.
92. Gordon L. McDonough.
93. Frank M. Coffin.
94. Harry R. Sheppard.
95. Thomas S. Gordon.
96. Aime J. Forand.
97. Toby Morris.
98. Merwin Coad.
99. Leo W. O'Brien.
100. J. Floyd Breeding.
101. Thomas E. Morgan.
102. Daniel J. Flood.
103. John J. McFall.
104. Charles O. Porter.
105. John F. Shelley.
106. John J. Dempsey.
107. Joseph M. Montoya.
108. Harlan Hagen.
109. Fred Marshall.
110. James H. Morrison.
111. Herbert Zelenko.
112. A. S. Herlong, Jr.
113. Adam C. Powell, Jr.
114. Frank M. Clark.
115. Joseph L. Carrigg.
116. Al Ullman.
117. LeRoy Anderson.
118. Don Magnuson.
119. John A. Blatnik.
120. Glenn Cunningham.
121. Thaddeus M. Machrowicz.
122. F. Jay Nimtz.
123. Eugene J. Keogh.
124. Thomas Ludlow Ashley.
125. George McGovern.
126. Charles A. Buckley.
127. Peter W. Rodino, Jr.
128. Edwin B. Dooley.
129. George Huddleston, Jr.
130. William A. Barrett.
131. James G. Fulton.
132. Herman P. Eberharter.
133. Arch A. Moore, Jr.
134. Walt Horan.
135. Ludwig Teller.
136. Peter F. Mack, Jr.
137. Robert J. Corbett.
138. John E. Fogarty.
139. H. R. Gross.
140. Morgan M. Moulder.
141. William E. Miller.
142. Clair Engle.
143. Walter S. Baring.
144. William H. Ayres.
145. Ray J. Madden.
146. Kenneth J. Gray.
147. Cleveland M. Bailey.
148. Carl Elliott.
149. James A. Haley.
150. George H. Fallon.
151. James J. Delaney.
152. Augustine B. Kelley.
153. Wayne L. Hays.
154. J. W. Trimble.
155. Wright Patman.
156. William S. Broomfield.
157. Robert J. McIntosh.
158. Michael J. Kirwan.
159. Lester Johnson.
160. E. Ross Adair.
161. Charles C. Diggs, Jr.
162. Jim Wright.
163. William G. Bray.
164. Paul Cunningham.
165. Antonio M. Sadlak.
166. Horace Seely-Brown, Jr.
167. Thomas J. O'Brien.
168. Charles S. Gubser.
169. Bernard W. Kearney.
170. Dante B. Fascell.
171. Winston L. Prouty.
172. Ivor D. Fenton.
173. Charles A. Wolverton.
174. Leon H. Gavin.
175. William L. Dawson.
176. Stewart L. Udall.
177. Alvin E. O'Konski.
178. Paul G. Rogers.
179. Earl Wilson.
180. Henry O. Talle.
181. Kenneth A. Roberts.
182. Joel T. Broyhill.
183. Charles E. Bennett.
184. Ed Edmondson.
185. James C. Davis.
186. John F. Baldwin, Jr.
187. Henderson Lanham.
188. Lindley Beckworth.
189. Tom Steed.
190. Hale Boggs.
191. E. C. Gathings.
192. John C. Watts.
193. Robert E. Jones, Jr.
194. Mendel Rivers.
195. Albert W. Cretella.
196. Emmet F. Byrne.
197. Timothy P. Sheehan.
198. J. Edgar Chenoweth.
199. John B. Bennett.
200. Marguerite Stitt Church.
201. Sid Simpson.
202. Walter H. Judd.
203. Overton Brooks.
204. George S. Long.
205. E. E. Willis.
206. Gracie Pfost.
207. August H. Andresen.
208. John J. Riley.
209. Robert T. Ashmore.
210. A. D. Baumhart, Jr.
211. J. P. O'Hara.
212. H. Carl Andersen.
213. Frank W. Boykin.
214. Walter Norblad.
215. Ben F. Jensen.
216. Francis E. Walter.
217. Joe L. Evins.
218. Albert Rains.

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Commitees, July 11, 1957.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1031. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation entitled "A bill to change the designation of the Bureau of Yards and Docks to the Bureau of Civil Engineering, and for other purposes"; to the Committee on Armed Services.

1032. A letter from the Archivist of the United States, transmitting a report on lists or schedules covering records proposed for disposal by certain Government agencies, pursuant to the act approved July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

1033. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to authorize the appointment of Adm. Arthur W. Radford, United States Navy, to the permanent grade of admiral in the Navy"; to the Committee on Armed Services.

1034. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Panama Canal Company and Canal Zone Government for the fiscal year ended June 30, 1956 (H. Doc. No. 210); to the Committee on Government Operations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 235. An act to increase from $50 to $75 per month the amount of benefits payable to widows of certain former employees of the Lighthouse Service; without amendment (Rept. No. 787). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 236. An act to amend section 6 of the act of June 20, 1918, as amended, relating to the retirement pay of certain members of the former Lighthouse Service; without amendment (Rept. No. 788). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 1262. A bill to authorize and direct the Administrator of Veterans' Affairs to accept certain land in Buncombe County, N. C., for cemetery purposes; with amendment (Rept. No. 789). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 1953. A bill to provide that checks for benefits provided by laws administered by the Administrator of Veterans' Affairs may be forwarded to the addressee in certain cases; without amendment (Rept. No. 790). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 2237. A bill authorizing the transfer of certain property of the Veterans' Administration (in Johnson City, Tenn.) to Johnson City National Farm Loan Association and the East Tennessee Production Credit Association, local units of the Farm Credit Administration; without amendment (Rept. No. 791). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 4098. A bill to provide for the conveyance to the State of California a portion of the property known as Veterans' Administration Center Reservation, Los Angeles, Calif., to be used for National Guard purposes; with amendment (Rept. No. 793). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 5757. A bill to increase the maximum amount payable by the Vet-

erans' Administration for mailing or shipping charges of personal property left by any deceased veteran on Veterans' Administration property; with amendment (Rept. No. 794). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 5930. A bill to amend the War Orphans' Educational Assistance Act of 1956 to provide educational assistance thereunder to the children of veterans who are permanently and totally disabled from wartime service-connected disability, and for other purposes; with amendments (Rept. No. 795). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 6719. A bill to provide certain adjustments in organization and salary structure of the Department of Medicine and Surgery in the Veterans' Administration; with amendments (Rept. No. 796). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 6908. A bill to authorize modification and extension of the program of grants-in-aid to the Republic of the Philippines for the hospitalization of certain veterans, to restore eligibility for hospital and medical care to certain veterans of the Armed Forces of the United States residing in the Philippines, and for other purposes; with amendments (Rept. No. 797). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 7251. A bill to amend the definition of the term "State" in the Veterans' Readjustment Assistance Act and the War Orphans' Educational Assistance Act to clarify the question of whether the benefits of those acts may be afforded to persons pursuing a program of education or training in the Panama Canal Zone; with amendment (Rept. No. 798). Referred to the Committee of the Whole House on the State of the Union.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 8076. A bill to provide for the termination of the Veterans' Education Appeals Board established to review certain determinations and actions of the Administrator of Veterans' Affairs in connection with education and training for World War II veterans; without amendment (Rept. No. 799). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 3018. A bill to amend title 14, United States Code, entitled "Coast Guard," to authorize expenditures for recreation and welfare of Coast Guard personnel and the schooling of their dependent children; with amendment (Rept. No. 800). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 3748. A bill to provide for the conveyance of certain lands of the United States to the city of Gloucester, Mass.; with amendment (Rept. No. 801). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 5806. A bill to amend title 14, United States Code, entitled "Coast Guard," with respect to warrant officers' rank on retirement, and for other purposes; without amendment (Rept. No. 802). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. S. 334. An act to amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended (30 U. S. C. 184), in order to promote the development of phosphate on the public domain; without amendment (Rept. No. 803). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'NEILL: Committee on Rules. House Resolution 313. Resolution providing for the consideration of S. 2130, an act to amend further the Mutual Security Act of 1954, as amended, and for other purposes; without amendment (Rept. No. 804). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 314. Resolution providing for the consideration of H. R. 8381, a bill to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes; without amendment (Rept. No. 805). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 1678. A bill to provide for the quitclaiming of the title of the United States to the real property known as the Barcelona Lighthouse Site, Portland, N. Y., with amendment (Rept. No. 786). Referred to the Committee of the Whole House.

Mr. TEAGUE of Texas: Committee on Veterans' Affairs. H. R. 2741. A bill to authorize and direct the Administrator of Veterans' Affairs to convey certain lands of the United States to the Hermann Hospital Estate, Houston, Tex., with amendment (Rept. No. 792). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY:

H. R. 8643. A bill to authorize the construction of certain works of improvement in the Niagara River for power and for other purposes; to the Committee on Public Works.

By Mr. MILLER of New York:

H. R. 8644. A bill to authorize the construction of certain works of improvement in the Niagara River for power and other purposes; to the Committee on Public Works.

By Mr. ASPINALL:

H. R. 8645. A bill to amend section 9, subsection (d), of the Reclamation Project Act of 1939, and for other related purposes; to the Committee on Interior and Insular Affairs.

By Mr. BARTLETT:

H. R. 8646. A bill to amend the Alaska Public Works Act (63 Stat. 627, 48 U. S. C., sec. 486, et seq.) to clarify the authority of the Secretary of the Interior to convey federally owned land utilized in the furnishing of public works; to the Committee on Interior and Insular Affairs.

By Mr. ENGLE:

H. R. 8647. A bill to amend section 9, subsection (d), of the Reclamation Project Act of 1939, and for other related purposes; to the Committee on Interior and Insular Affairs.

By Mr. FALLON:

H. R. 8648. A bill to amend subsection (f) (1) of section 209 of the Highway Revenue Act of 1956 (70 Stat. 387); to the Committee on Ways and Means.

By Mr. METCALF:

H. R. 8649. A bill to amend the Packers and Stockyards Act, 1921, as amended, by the grouping of the titles of such act amended into separately named acts; providing for the applications of such acts so named; defining a livestock auction market, a stockyard, and packer buyer; and for other purposes; to the Committee on Agriculture.

By Mr. POFF:

H. R. 8650. A bill to create a Supply and Service Administration as a department in the Department of Defense, and for other purposes; to the Committee on Armed Services.

H. R. 8651. A bill relating to the authority of the Administrator of General Services with respect to the utilization and disposal of excess and surplus Government property under the control of executive agencies; to the Committee on Government Operations.

By Mr. PORTER:

H. R. 8652. A bill to rescind the authorization for the Waldo Lake Tunnel and regulating works, Willamette River, Oreg.; to the Committee on Public Works.

By Mr. SIKES:

H. R. 8653. A bill appropriating $3 million, to be used by the Secretary of Agriculture to undertake, in cooperation with the State of Florida, a program for the control and eradication of screwworms in such State; to the Committee on Appropriations.

By Mr. WAINWRIGHT:

H. R. 8654. A bill to incorporate the National Ladies Auxiliary, Jewish War Veterans of the United States of America; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 8655. A bill to amend the Administrative Procedure Act and the Communist Control Act of 1954 so as to provide for a passport review procedure and to prohibit the issuance of passports to persons going or staying abroad to support the Communist movement; and for other purposes; to the Committee on the Judiciary.

By Mr. BERRY:

H. R. 8657. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; to the Committee on Ways and Means.

By Mr. BOW:

H. R. 8658. A bill to amend section 802 of title 10 of the United States Code with respect to the jurisdiction of the military departments over crimes committed by members of the Armed Forces in foreign nations; to the Committee on Armed Services.

By Mr. KARSTEN:

H. R. 8659. A bill to provide an exemption from the tax imposed on admissions for admissions to certain musical theatrical events; to the Committee on Ways and Means.

By Mr. PILLION:

H. R. 8660. A bill to authorize the construction of certain works of improvement in the Niagara River for power and other purposes; to the Committee on Public Works.

By Mr. BAILEY:

H. J. Res. 402. Joint resolution providing for printing as a House document Bulletin No. 1215 of the Bureau of Labor Statistics of the Department of Labor; to the Committee on House Administration.

By Mr. ABERNETHY:

H. J. Res. 403. Joint resolution proposing an amendment to the Constitution of the United States prescribing the term of office of members of the Supreme Court; to the Committee on the Judiciary.

By Mr. AYRES:

H. Con. Res. 214. Concurrent resolution providing for a joint Congressional committee to investigate and study the case of William S. Girard, specialist, third class, United States Army; to the Committee on Rules.

By Mr. FARBSTEIN:

H. Res. 311. Resolution that a select committee be appointed to conduct a full and complete investigation and study of the use of chemicals and other additives in food, medicine, and beverages with a view to ascertaining what deleterious effects such chemicals have on human life and health; to the Committee on Rules.

By Mr. LANDRUM:

H. Res. 312. Resolution creating a select committee to conduct studies and investigations of all Federal grants-in-aid; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. McCORMACK:

H. R. 8656. A bill to authorize Hon. HUGH J. ADDONIZIO and Hon. PETER W. RODINO, JR., Members of Congress, to accept and wear the awards of the Order of the Star of Solidarity (Stella della Solidarieta Italiana di secondo classe) and the Order of Merit (dell 'Ordine al Merito della Republica Italiana), of the Government of Italy; considered and passed.

By Mr. BERRY:

H. R. 8661. A bill for the relief of Bennett Memorial Hospital; to the Committee on the Judiciary.

By Mr. BOYLE:

H. R. 8662. A bill for the relief of Laszlo Hunyadi and his wife, Delina Hunyadi; to the Committee on the Judiciary.

H. R. 8663. A bill for the relief of Francesco Masiello; to the Committee on the Judiciary.

By Mr. DONOHUE:

H. R. 8664. A bill for the relief of Clifford S. and Ethelreda Jorsling; to the Committee on the Judiciary.

By Mr. FASCELL:

H. R. 8665. A bill for the relief of Hortensia Dowling; to the Committee on the Judiciary.

By Mr. FORD:

H. R. 8666. A bill for the relief of Jacob Ype Harms; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 8667. A bill for the relief of Dominick LeRose; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H. R. 8668. A bill for the relief of Epifania Gitto; to the Committee on the Judiciary.

By Mr. PATTERSON:

H. R. 8669. A bill for the relief of Adoberto Savigni; to the Committee on the Judiciary.

H. R. 8670. A bill for the relief of Joaquim B. Calca; to the Committee on the Judiciary.

By Mr. SEELY-BROWN:

H. R. 8671. A bill for the relief of Giuseppe Spera; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Address by Hon. Frances P. Bolton at Ninth Annual Colgate Foreign Policy Conference, Colgate University

EXTENSION OF REMARKS

OF

HON. WILLIAM E. MINSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 11, 1957

Mr. MINSHALL. Mr. Speaker, I ask unanimous consent to insert an address made by our distinguished colleague from Ohio, Mrs. BOLTON, at the foreign affairs conference held at Colgate University during the week of July 4.

The address follows:

EMERGENT AFRICA

Mr. President, Dr. Wilson, members of the conference, honored guests, and friends. To be here in this distinguished company is a privilege indeed. To me it is an especially delightful moment, coming as I do to the university begun so many years ago by 13 men of whom my great grandfather was one. Little by little those modest beginnings have grown into this splendid institution whose roots go deep down into the earth, whose trunk is straight and strong, and whose branches reach ever more eagerly towards the stars. How proud those 13 must be to find representatives from so many nations gathered together with world-minded Americans in earnest effort to bring about greater understanding.

I hesitate to speak of that great continent of Africa to such an informed group as this. I am certain there are those among you who know far more of Africa than I, which of itself is both fearsome and challenging. However, my interest in this continent that God has held in reserve is deep, my efforts to know as much as I can about it, sincere. I am happy to give you some of my thinking.

Just here I must say to you that I hesitate to use the pronoun "it" in speaking of Africa. There is nothing neuter about Africa. But can one say he or should it be she?

Africa is so vital, so personal and yet so impersonal. There are moments when one says "she" unhesitatingly, so great is the sense of maternity, of the creative, passive, waiting forces that seem to surround one, that seem to well up out of the earth one walks on. And then again Africa is all male—aggressive, powerful, ruthless, invincible. Above all else, Africa is a land of extremes, of such beauty by day and by night that one stands breathless before it; of such ruthless cruelty that only the bravest can support it.

The oldest land mass on earth, Africa's shores have been beaten upon so long that there are few harbors. Her great plateau has long since been made infertile, for after the trees were gone, the winds have blown away the productive soil. Her great rivers are not highways from their sources to the sea, for in their courses they must tumble down to sea level, and death is in their depths. Her incredible forests, her steaming jungles, her low marshes, her fearsome heights, her beautiful lakes, and glowing volcanoes, her snow-clad mountains, her deserts, and her rain forests. There is no end to the wonders one may see. Once seen one is never quite the same again.

Yes, Africa is a country of great extremes and many emotions. Of pygmies and men 7 feet tall. Even the climate runs the gamut from driest desert to heaviest rainfall, from snow-capped Kilimanjaro practically astride the equator to the great basin of the Congo, and, in addition, in certain marvelously beautiful areas, a temperate climate unsurpassed anywhere.

One can readily understand why, for so many centuries Africa was a coastline but not a continent. One can appreciate why there was so little accurate information to be had well into the nineteenth century, and not too much today. In searching for information, one is reminded of the four lines written by Jonathan Swift:

> "So geographers, in Afric maps,
> With savage pictures fill their gaps,
> And o'er unhabitable downs
> Place elephants for want of towns."

Those of you who have been to Africa know something of its vastness. You have felt its mystery, you have been stirred by its almost incredible possibilities. You have, perhaps, found your own emotions shaken, as never before, by the power, the force, that seems to well up out of the very earth. You have been faced with the reality of Africa's awakening. It is as if a great giant stirred for the first time in many centuries, stretching himself, opening his gentle eyes upon an unknown and very disturbing world. Perhaps you, too, have found your own world somewhat shaken by direct contact with this awakening, and all it can mean to the future of mankind.

It was to that Africa that I went in September nearly 2 years ago, I and my three companions, on behalf of the Subcommittee on the Near East and Africa of the Committee on Foreign Affairs. I took with me a Signal Corps photographer, a transportation officer who had spent some 8 years in West Africa, and a medical observer, loaned by the Mayo Clinic.

It was our purpose to see all we could in the all-too-short 3½ months allotted us. Starting at Dakar, our route took us into countries in West Africa, south to the Cape, up the East Coast, into the Central Federation, north to Ethiopia, Khartoum and Cairo. It was a continent of contrasts that we saw: its luscious forests and deserts, its granite mountains, its indescribable beauty, its cruelty and ruthlessness. We saw the ravages of disease and the efforts being made to eradicate it. We glimpsed its vast wealth, its unbelievable possibilities. But especially did we see the people: Indians, Lebanese, Syrians, Europeans and above all, Africans, whose present awakening will have such bearing upon the future of the world.

Thanks to the great courtesy of the Washington representatives of the metropolitan countries in advising the various government heads of our coming, we were given every opportunity to learn something at least of what they are doing in their separate areas. Unfortunately we could not go to Spanish Africa, but we did visit the French, the Portuguese, the British, the Belgian areas, and South Africa as well.

It was truly exciting to see the tremendous housing programs everywhere, the schools, the hospitals, the dispensaries, the clinics, and the maternity homes and, of course, in every country, the missions, both Catholic and Protestant, which have been responsible for so much of the education and the staffing of the health work. Each metropolitan country had its own special methods, its own program, but all were moving along roads that will bring better living to all the people.

If we are to speak together of an emergent Africa, we shall have to take a moment or two to look at the past of this so little known continent of which Colonel Van der Post has written that "not even the animals understand."

We know little of the history of Africa south of the Sahara. Legend tells of an ancient and powerful West African empire known as Ghana which flourished more than a thousand years ago, and from which many of the present tribes have sprung. The Egyptians, who are more closely linked with the Middle East than with Africa, trace an unbroken civilization back nearly 6,000 years, while the Berbers and others are indigenous to north Africa. The Arabs, twice conquerors of north Africa, have left many of their people on the African continent. But these moved in upon indigenous people whose past is hidden by time, who carry in their blood strange memories of ancient glory. Today, archaeologists are finding evidence in unexpected places of very ancient civilizations.

It was not until the 19th century that Europeans came to Africa, to encounter un-