Calendar No. 79

82D CONGRESS, 1st Session | SENATE | REPORT No. 74

PROVIDING REIMBURSEMENT OF EXPENSES INCURRED IN CONNECTION WITH THE BURIAL OF THOSE WHO SERVED IN THE MILITARY FORCES OF THE COMMONWEALTH OF THE PHILIPPINES WHILE SUCH FORCES WERE IN THE ARMED FORCES OF THE UNITED STATES PURSUANT TO THE MILITARY ORDER OF THE PRESIDENT OF THE UNITED STATES, DATED JULY 26, 1941

FEBRUARY 1 (legislative day, JANUARY 29), 1951.—Ordered to be printed

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

REPORT

[To accompany S. 82]

The Committee on Finance, to whom was referred the bill (S. 82) to provide reimbursement of expenses incurred in connection with the burial of those who served in the military forces of the Commonwealth of the Philippines while such forces were in the Armed Forces of the United States pursuant to the military order of the President of the United States, dated July 26, 1941, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

EXPLANATION OF THE BILL

Under the terms of this proposal, the Administrator of Veterans' Affairs is authorized to furnish a flag to drape the casket and to pay a sum not exceeding 150 Philippine pesos ($75) for the burial and funeral expenses of any person who served in the military forces of the Commonwealth of the Philippines pursuant to the military order of the President of the United States dated July 26, 1941. Included in such forces would be those who served in organized guerrilla forces under commanders appointed, designated, or recognized by the commander in chief of the southwest Pacific area or other competent authority in the United States Army during World War II. A separation from the service under conditions other than dishonorable would be a prerequisite for benefits under this proposal. Payments would be made subject to the applicable provisions of Veterans' Regulation 9 (a), but the time limit of 2 years from death for filing of claims is

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extended with respect to those persons who died heretofore to 2 years after the enactment of this legislation.

Although the committee's action was on the bill S. 82, it is noted that an identical measure, S. 377, was sponsored by Senator Herbert H. Lehman, of New York. This type of legislation and the proposal generally follows the recommendation of the President on this subject made to the Congress in July 1947.

It is estimated that the maximum ultimate cost of this bill would be approximately $26,430,000. No firm estimate can be provided as to first-year cost.

The Veterans' Administration report on an identical bill (H. R. 8576, Eighty-first Congress, second session) is as follows:

AUGUST 24, 1950.

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

DEAR SENATOR GEORGE: This is in reply to your letter of August 7, 1950, requesting a report by the Veterans' Administration on H. R. 8576, Eighty-first Congress, a bill to provide reimbursement of expenses incurred in connection with the burial of those who served in the military forces of the Commonwealth of the Philippines while such forces were in the Armed Forces of the United States pursuant to the military order of the President of the United States, dated July 26, 1941.

The general purpose of the bill is indicated in the above-quoted title. The bill provides as follows:

"That the Administrator of Veterans' Affairs is authorized to furnish a flag to drape the casket and to pay a sum not exceeding 150 Philippine pesos for the burial and funeral expenses and transportation of the body (including preparation of the body) of any person who served in the organized military forces of the Commonwealth of the Philippines while such forces were in the service of the Armed Forces of the United States pursuant to the military order of the President of the United States, dated July 26, 1941, including among such military forces organized guerrilla forces under commanders appointed, designated, or subsequently recognized by the commander in chief, Southwest Pacific area, or other competent authority in the Army of the United States, and who dies, or has died, after separation from such service under conditions other than dishonorable. Payments under this act shall be subject to the applicable provisions of Veterans Regulation No. 9 (a), as amended, except that in case any such person has died heretofore, the time for filing claim for reimbursement of such expenses shall be extended until 2 years after the date of this enactment."

Veterans Regulation No. 9 (a), as amended, which would be applicable to payments under the bill, authorizes burial benefits for eligible veterans of the Armed Forces of the United States and provides that claims for reimbursement must be filed within 2 years subsequent to the date of burial of the veteran. In the event the claimant's application is not complete at the time of original submission the Veterans' Administration advises the claimant of the evidence necessary to complete the application, and if such evidence is not received within 1 year from the date of the request therefor no allowance may be paid. With respect to persons who have died prior to the enactment of the bill, it is provided therein that the time for filing claim for reimbursement shall be extended until 2 years after the date of enactment.

Under the provisions of the First Supplemental Surplus Appropriation Rescission Act, 1946 (Public Law 301, 79th Cong., approved February 18, 1946), eligibility for benefits under our laws predicated on active military or naval service was taken from Philippine Army veterans who served pursuant to the military order of July 26, 1941, except as to those providing compensation for service-connected disability or death (which are paid on the basis of one Philippine peso for each dollar authorized), and benefits of the National Service Life Insurance Act of 1940, as amended, under contracts entered into prior to February 18, 1946. The Rescission Act was amended by the act of July 25, 1947 (Public Law 241, 80th Cong.), so as to restore benefits under the Missing Persons Act, as amended, for such veterans. By a military order of the President, effective midnight June

30, 1946, the organized military forces of the Government of the Philippines were released from the service of the Armed Forces of the United States.

Upon approving the Rescission Act, the President voiced exception to the restrictive language therein with respect to Philippine Army veterans and requested that a study be undertaken. As a result of this study, remedial legislation (H. R. 6508 and S. 2235) was introduced in the Seventy-ninth Congress. S. 2235 was passed by the Senate but was not enacted prior to the adjournment of the Seventy-ninth Congress. Thereafter, further study of the matter was made by an interdepartmental committee appointed by the President consisting of the then Administrator of Veterans' Affairs as chairman, the Secretary of State, the Secretary of War, and the United States Ambassador to the Philippines. In accordance with the recommendation of the interdepartmental committee, the President on July 1, 1947, transmitted to the Congress proposed legislation which was introduced as H. R. 4073, Eightieth Congress.

In addition to a provision similar to that contained in H. R. 8576, H. R. 4073 contained provisions for other benefits, including aid in the form of grants to the Republic of the Philippines for subsistence allowances and tuition incident to courses of institutional training pursued by eligible veterans in the Philippines, and grants for the construction and equipping of hospitals in that country for the medical care and treatment of eligible Philippine veterans and expenses incident to such care and treatment. The bill, as reported by the Committee on Veterans' Affairs of the House of Representatives, retained only those provisions relative to hospitalization and medical treatment. However, this report (H. Rept. No. 2304) stated:

"There are other matters affecting veterans of this campaign which need attention, but the committee feels that adequate hospitalization is so necessary and pressing that it should receive immediate attention. The other matters will have to be delayed until more adequate study can be given them."

S. 2861, a bill similar to H. R. 4073, as reported, was passed by the Congress and became Public Law 865, Eightieth Congress, on July 1, 1948. That act authorizes the President to furnish financial aid to the Republic of the Philippines with respect to the medical care and treatment of the mentioned Philippine veterans in the form of grants for the construction and equipping of hospitals and also for expenses incidental to hospitalization. For the purpose of construction and equipping, the act provides that grants may not exceed $22,500,000 and for expenses incident to hospitalization a limitation of $3,285,000 for any fiscal year is provided for a period not to exceed 5 years. By letter dated August 16, 1948, the President delegated to the Administrator of Veterans' Affairs his authority under Public Law 865 and requested that an agreement with respect to the authorized program be negotiated with the Philippine Government. A formal agreement was thereupon entered into on June 7, 1949, between the United States Ambassador and the President of the Philippines. Subsequently, regulations to implement the law and agreement were promulgated by the Administrator of Veterans' Affairs, with the approval of the President, effective October 18, 1949. Progress is being made with plans and details of the construction program as well as reimbursement procedure for interim hospitalization in available existing hospital beds.

As heretofore indicated, the matter of granting veterans' benefits to former members of the organized Philippine Army and recognized guerrillas has been the subject of numerous proposals in three different Congresses since the mentioned Rescission Act of 1946, and the extent to which certain benefits have been granted has been noted. The question of whether additional benefits, such as the burial allowance proposed by H. R. 8576 should be authorized, is one involving broad public policy and is believed to be primarily for determination by the Congress in the light of the various factors which have from time to time been brought to its attention.

In view of certain indeterminate factors, it is not possible to estimate accurately the first year's cost of the bill, if enacted. Based on the latest information available to the Veterans' Administration, and bearing in mind that deaths occurring during service would not be covered by the bill, it is estimated that approximately 13,500 claimants would be potentially eligible for the benefits as a result of deaths occurring to date. It further appears that there are approximately 315,000 living veterans of the Philippine Army, including recognized guerrillas. Assuming that proper claim for the benefit is made in each case, and assuming that the maximum expense is incurred, the maximum ultimate cost of providing flags would be approximately $1,800,000 and the maximum ultimate cost of the burial allowance would be 49,275,000 Philippine pesos. Under the current official rate of exchange

the ratio of the peso to the dollar is approximately 2 to 1. With respect to the deaths occurring heretofore, it is probable that claim for the flag and for reimbursement of the burial expenses in each case will be made within the 2-year period of limitation provided by the bill.

Advice has not as yet been received from the Bureau of the Budget as to the relationship of this legislation to the program of the President. A supplemental letter on this matter will be furnished your committee when such information is received.

Sincerely yours,

O. W. CLARK,
Deputy Administrator
(For and in the absence of the Administrator).

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