Calendar No. 473

86TH CONGRESS, 1st Session | SENATE | REPORT No. 480

CHARGING VETERANS' CANTEEN SERVICE FOR SPACE IN VA INSTALLATIONS

JULY 8, 1959.—Ordered to be printed

Mr. BYRD of Virginia, from the Committee on Finance, submitted the following

REPORT

[To accompany H.R. 5446]

The Committee on Finance, to whom was referred the bill (H.R. 5446) to provide for the recovery of costs of building space utilized by the Veterans' Canteen Service in the Veterans' Administration, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

EXPLANATION OF BILL

This bill amends paragraph 3 of section 4202, title 38, United States Code, to require that Veterans' Canteen Service pay reasonable charges for the use of space, buildings, and structures furnished by the Veterans' Administration. The amount of the charges would be determined by the Administrator of Veterans' Affairs.

The Canteen Service, of course, operates the various canteens in Veterans' Administration hospitals and domiciliaries in the medical system of the Veterans' Administration.

The Canteen Service was established within the Veterans' Administration in 1946 by Public Law 636, 79th Congress, and under existing law is substantially a self-sustaining operation. Its income is deposited in a revolving fund which, in turn, finances the establishment, maintenance, and operation of the Service and all expenses for such items as salaries, fixtures, equipment, and stocks of merchandise are paid for from this revolving fund. The Service reimburses the Veterans' Administration for utilities, such as light, water, and heat, and these payments are credited to the appropriation of the Veterans' Administration for inpatient care. Net profits are turned over to the Treasury.

Under the bill payments for space, like those now made for utilities, would be credited to the same appropriation.

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The following letters from the Administrator of Veterans' Affairs urge enactment of this legislation.

JUNE 26, 1959.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR SENATOR BYRD: The following comments on H.R. 5446, 86th Congress, an act to provide for the recovery of costs of building space utilized by the Veterans' Canteen Service in the Veterans' Administration, are submitted in response to your request.

This bill, as passed by the House of Representatives, is identical with a draft bill transmitted by the Veterans' Administration with a letter of explanation and justification, dated February 6, 1959, to the President of the Senate.

A copy of our letter of February 6, 1959, is enclosed. For the reasons stated therein, the Veterans' Administration recommends favorable consideration of H.R. 5446 by your committee.

Sincerely yours,

SUMNER G. WHITTIER,
Administrator.

FEBRUARY 6. 1959.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a bill to provide for the recovery of costs of building space utilized by the Veterans' Canteen Service.

The bill would amend paragraph (3) of section 4202 of title 38, United States Code, to require the Veterans' Canteen Service to pay reasonable charges, as determined by the Administrator of Veterans' Affairs, for the use of space, buildings, and structures furnished by the Veterans' Administration.

The Veterans' Canteen Service is a Federal instrumentality which was established within the Veterans' Administration in 1946, under the provisions of Public Law 636, 79th Congress, for the purpose of making available to veterans who are hospitalized or domiciled in hospitals and homes of the Veterans' Administration, at reasonable prices, merchandise and services essential to their comfort and well-being.

Under existing law (ch. 75, title 38, United States Code) the Veterans' Canteen Service is a substantially self-sustaining operation. All income is deposited in the revolving fund which was created to finance the establishment, maintenance, and operation of the Service and all expenses for such things as salaries, fixtures, and equipment, stocks of merchandise and supplies, etc., are paid from the revolving fund. The Service reimburses the Veterans' Administration for utilities, including light, water, and heat, furnished for use in the canteen operations. Such payments are credited to the appropriation for inpatient care.

Section 4202(3) of title 38 now provides that the Veterans' Administration shall furnish the Veterans' Canteen Service, without charge, necessary space, buildings, and structures, including normal mainte-

nance and repair service thereon. Hence, the Service is relieved of a cost normally incurred by commercial-type operations.

The effect of the proposed bill, if enacted, would be to require the Service to pay for the use of space furnished by the Veterans' Administration, except that such payments could be reduced or waived if they would result in impairment of the working capital required by the Service. Payments for space, like those now made for utilities, would be credited to the Veterans' Administration inpatient care appropriation.

In view of the foregoing, it is respectfully requested that the proposed legislation be introduced and considered for enactment as soon as possible.

The Bureau of the Budget advises that there is no objection to the presentation of the draft bill to the Congress for its consideration.

Sincerely yours,

SUMNER G. WHITTIER,
Administrator.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italics; existing law in which no change is proposed is shown in roman):

SECTION 4202, TITLE 38, UNITED STATES CODE

§ 4202. Duties of Administrator with respect to Service

The Administrator shall—

(1) establish, maintain, and operate canteens where deemed necessary and practicable at hospitals and homes of the Veterans' Administration and at other Veterans' Administration establishments where similar essential facilities are not reasonably available from outside commercial sources;

(2) establish, maintain, and operate such warehouses and storage depots as may be necessary in operating the canteens;

(3) furnish the Service, [without charge, rental, or reimbursement,] for its use in connection with the establishment, maintenance, and operation thereof, such space, buildings, and structures under control of the Veterans' Administration as he may consider necessary, including normal maintenance and repair service thereon[;]. *Reasonable charges, to be determined by the Administrator, shall be paid annually by the Service for the space, buildings, and structures so furnished, except that the Administrator may reduce or waive such charges whenever payment of such charges would impair the working capital required by the Service;*

(4) transfer to the Service without charge, rental, or reimbursement such necessary equipment as may not be needed for other purposes, and furnish the Service such services and utilities, including light, water, and heat, as may be available and necessary for its use. Reasonable charges, to be determined by the Administrator, shall be paid annually by the Service for the utilities so furnished;

(5) employ such persons as are necessary for the establishment, maintenance, and operation of the Service, and pay the salaries, wages, and expenses of all such employees from the funds of the Service. Personnel necessary for the transaction of the business of the Service at canteens, warehouses, and storage depots shall be appointed, compensated from funds of the Service, and removed by the Administrator without regard to civil-service laws and the Classification Act of 1949. Such employees shall be subject to the Veterans' Preference Act of 1944, the Civil Service Retirement Act, and laws administered by the Bureau of Employees' Compensation applicable to civilian employees of the United States;

(6) make all necessary contracts or agreements to purchase or sell merchandise, fixtures, equipment, supplies, and services, without regard to section 5 of title 41, and to do all things necessary to carry out such contracts or agreements, including the making of necessary adjustments and compromising of claims in connection therewith;

(7) fix the prices of merchandise and services in canteens so as to carry out the purposes of this chapter;

(8) accept gifts and donations of merchandise, fixtures, equipment, and supplies for the use and benefit of the Service;

(9) make such rules and regulations, not inconsistent with the provisions of this chapter, as he considers necessary or appropriate to effectuate its purposes;

(10) delegate such duties and powers to employees as he considers necessary or appropriate, whose official acts performed within the scope of the delegated authority shall have the same force and effect as though performed by the Administrator;

(11) authorize the use of funds of the Service when available, subject to such regulations as he may deem appropriate, and without regard to the provisions of sections 521 and 543 of title 31, for the purpose of cashing checks, money orders, and similar instruments in nominal amounts for the payment of money presented by veterans hospitalized or domiciled at hospitals and homes of the Veterans' Administration, and by other persons authorized by section 4203 of this title to make purchases at canteens. Such checks, money orders, and other similar instruments may be cashed outright or may be accepted, subject to strict administrative controls, in payment for merchandise or services, and the difference between the amount of the purchase and the amount of the tendered instrument refunded in cash.

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