

**AUTHORIZING THE VETERANS' ADMINISTRATION TO REIMBURSE
STATE AND LOCAL AGENCIES FOR EXPENSES INCURRED IN
RENDERING SERVICES IN CONNECTION WITH THE ADMINIS-
TRATION OF CERTAIN TRAINING PROGRAMS FOR VETERANS**

JULY 26 (legislative day, JULY 5), 1946.—Ordered to be printed

Mr. JOHNSON of Colorado, from the Committee on Finance, submitted
the following

REPORT

[To accompany S. 2477]

The Committee on Finance, to whom was referred the bill (S. 2477) to authorize the Veterans' Administration to reimburse State and local agencies for expenses incurred in rendering services in connection with the administration of certain training programs for veterans, and for other purposes, having considered the same, report favorably thereon, without amendment, and recommend that the bill do pass.

The original bill (S. 2144) was sent to the Veterans' Administration for report and inasmuch as the Veterans' Administration approved the bill and suggested further amendments a clean bill was introduced, which is S. 2477. This legislation is badly needed and has the approval of the Bureau of the Budget and the Veterans' Administration.

The favorable report from the Veterans' Administration on this bill clearly sets forth the need for this legislation and is as follows:

JULY 19, 1946.

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

MY DEAR SENATOR GEORGE: Further reference is made to your letter of July 11, 1946, in which you request a report on S. 2144, Seventy-ninth Congress, amendment (in the nature of a substitute) to authorize the Veterans' Administration to reimburse State and local agencies for expenses incurred in rendering service in connection with the administration of certain training programs for veterans.

The purpose of the above substitute S. 2144 is to reimburse State and local agencies for reasonable expenses incurred by them in connection with their responsibilities relative to training on the job for veterans.

The Veterans' Administration recommends your favorable consideration of the legislation but also wishes to offer additional amendments incorporated in

the enclosed draft. The changes in existing law recommended by the Veterans' Administration briefly stated are as follows:

1. Authority to Veterans' Administration to reimburse State and local agencies for expense incurred in rendering services in connection with the administration of certain training programs for veterans.
2. A ceiling on the total amount of compensation for productive labor and subsistence allowances that may be received by veterans taking on-the-job training.
3. A clarification of the law to permit a man to help work his way through college and earn a reasonable amount without losing his right to subsistence allowances.
4. The procuring of standards "for other training on the job."

The provisions of S. 2144 (amendment in the nature of a substitute) meet the proposal contained in the first category, above.

For some time the Veterans' Administration has been concerned about the possible abuses of the program in connection with training on the job. Reports have been made both within the Veterans' Administration and from outside sources including other Federal agencies that abuses are being practiced in this field. Already the number of veterans training on the job have been increased from 24,627 on January 1, 1946, to 228,523 on May 31, 1946. A check of two groups of trainees of 5,000 each shows that approximately 28 percent are receiving wages or salary, not including subsistence allowance, of \$150 or more per month and of this number approximately 6 percent are receiving \$200 or more a month. It is believed Congress did not intend that the Administrator of Veterans' Affairs should pay full subsistence allowance to a veteran who is receiving compensation for productive labor in such amounts. An amendment, section 2 of the enclosed draft, is proposed, designed to correct this situation. Establishment of such a ceiling at the present time is believed to be a matter requiring approval of the Congress.

Section 2 of the enclosed draft also contains a provision intended to correct the situation under existing law where a veteran who is pursuing a course of education or training in a school, college, or university and is engaged in full-time gainful employment not a part of his course or training, is not entitled to receive any subsistence allowance. To prevent this veteran from receiving subsistence allowance and at the same time to allow it to a veteran who is pursuing a course of training on the job and receiving compensation for productive labor, appears to be unjust.

It is felt that many of the abuses relating to the field of other training on the job are due in great measure to a lack of appropriate standards in each State, and lack of personnel to investigate establishments prior to approval as well as to supervise them after they have been approved. The adoption of the standards as proposed by section 3 of the enclosed draft to be applied by all States in approving establishments as qualified to furnish "other training on the job" and to implement the authority by which States and local agencies may be reimbursed is designed to protect the interest of the veterans and bring about sound administration. The proposed amendment relative to uniform standards would not interfere in any way with the standards apprenticeship courses which have been set up in the various States.

No information is available at this time which would indicate the extent to which State and local agencies would incur expenses in connection with the activity contemplated by the bill and the extent to which it would be necessary to reimburse them.

It is also not possible to approximate the amount of subsistence allowances which would be paid to veterans who are employed other than in connection with their college courses or withheld or reduced in the cases of those veterans who are compensated while training on the job.

It is requested that this report be accepted as a further response to your letter of May 6, 1946, relative to S. 2144, Seventy-ninth Congress, as originally introduced.

Advice has been received from the Bureau of the Budget that there would be no objection to the submission by the Veterans' Administration of these proposed amendments.

Very truly yours,

OMAR N. BRADLEY,
General, United States Army, Administrator.