

It is hard to predict the future of any program but based on present trends of veterans population, growth of the economy, and progress in social programs, it is believed that total veterans' expenditures, while increasing, will become a declining proportion of the total Federal budget and bear a lesser ratio to the Gross National Product.

Almost all of the tax dollars expended on veterans benefits -- 75 percent of the Veterans Administration fiscal year 1969 budget -- go to veterans and their dependents in the form of cash benefits. This money is immediately funneled back into the nation's economy. Twenty-one percent of the 1969 budget will be spent on medical and hospital services for veterans, and less than one percent of the budget will be applied to the costs of construction and modernization of Veterans Administration facilities. Only three percent is utilized in general administration.

The Veterans Administration has done an effective job of administering veterans benefits programs. It was established in 1930 as a means of combining the veterans programs administered by several different government agencies. This consolidation was intended to achieve coordination of veterans programs, to establish consistency in their administration and in the quality of service given veterans, and to facilitate the government's communication with veterans. These goals have been fulfilled by the Veterans Administration. There has been a nearly unanimous opinion that the Veterans Administration has achieved a high level of quality in administration.

The Commission therefore believes that it would be in the best interests of America's veterans for the Veterans Administration to continue administering all veterans programs. Veterans benefits will continue to be varied and comprehensive for a long period to come. They should not be weakened by absorption into agencies which do not have experience in administering veterans benefits. From a practical standpoint, it is not feasible to scatter these highly interrelated programs. A single arm of the Federal Government which has no other function than to administer veterans programs and which is staffed with a trained employee group dedicated to fulfilling the nation's commitment to veterans is, in the opinion of the Commission, the most effective way to carry out this highly important responsibility.

Just as Veterans Administration functions should not be splintered among several agencies, individual veterans programs should not be displaced or absorbed by general welfare programs. It is sometimes contended that after a short readjustment period veterans with no service-connected disability should be considered in the same category as other citizens. But veterans have taken greater risks and