

Present Protections and Relief for Members of the Armed Forces

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THE LIBERALITY of financial provision for the armed forces, both in amount and in scope, has increased with each succeeding war. In part, of course, this increase is due to the long-trend decreasing value of the dollar and to the generally higher standards of living which have developed with succeeding years, but a substantial residue can only be explained as a greater recognition, perhaps in a social sense, of the sacrifices, hardships, and responsibilities which are the burden of the fighting man. Since October 1940, when the first selective service call was under way, Congress has been active in establishing new legislation and in revamping old laws to liberalize provisions for the armed forces. Various aspects of this legislative action are of interest by themselves; as a whole, they furnish an impressive picture of the protections and safeguards in effect today which indicates immensely greater recognition from the Nation than prevailed in World War I or at any previous time. The following brief sections outline the major programs as they stood in the autumn of 1942.

Increased Pay

Basically, a review of this sort should start with the rates of pay applicable to the members of the armed forces. A bill was introduced in the Senate October 31, 1941, and after considerable committee and floor debate, particularly with respect to the lowest grade, the measure providing schedules of increased pay was approved June 16, 1942, to be effective June 1, 1942.

The changes in pay for the enlisted man are substantial and comprehensive. The following tabulation sets forth a comparison of the pay grades before and after June 1, 1942, for enlisted men in the Army and Navy. There are, of course, similar schedules for the Marine Corps

*Office of the Actuary. Because of the numerous laws establishing the various programs outlined herein, it was not feasible to clear all statements with the administrative agencies involved. Figures and interpretations are therefore unofficial, but are considered to be sufficiently reliable for the intended purpose of summarization.

and other schedules for various classes and specialist ratings.

| Army grade | Navy grade | Monthly base pay prior to June 1, 1942 ¹ | Monthly base pay beginning June 1, 1942 ² |
|--|--|---|--|
| 1. Master sergeant..... | 1. Chief petty officer..... | \$126 | \$138 |
| 2. First or technical sergeant..... | 2. Petty officer, first class..... | 84 | 114 |
| 3. Staff sergeant..... | 3. Petty officer, second class..... | 72 | 96 |
| 4. Sergeant..... | 4. Petty officer, third class..... | 60 | 78 |
| 5. Corporal..... | 5. Seaman, first class..... | 54 | 66 |
| 6. Private, first class..... | 6. Seaman, second class..... | 36 | 54 |
| 7. Private..... | 7. Apprentice seaman..... | 30 | 50 |
| Enlisted man, less than 4 months' service. | Enlisted man, less than 4 months' service. | 21 | 50 |

¹ Pay increased \$10 per month after 12 months' service.
² Pay increased 20 percent for foreign service and sea duty and 5 percent for each 3 years' service up to 30 years.

Source: House Document No. 822, p. 18.

This act (Public, No. 607, 77th Cong.) left the pay schedule of commissioned officers substantially unchanged; the present schedule is as follows:

| Army rank | Navy rank | Minimum base pay | Approximate maximum pay ¹ |
|-------------------------|--|------------------|--------------------------------------|
| Second lieutenant..... | Ensign..... | \$1,800 | \$2,000 |
| First lieutenant..... | Lieutenant (junior grade)..... | 2,000 | 3,700 |
| Captain..... | Lieutenant..... | 2,400 | 4,600 |
| Major..... | Lieutenant commander..... | 3,000 | 6,100 |
| Lieutenant colonel..... | Commander..... | 3,500 | 7,300 |
| Colonel..... | Captain..... | 4,000 | 7,900 |
| Brigadier general..... | Rear admiral (lower half of rank)..... | 6,000 | 7,900 |
| Major general..... | Rear admiral..... | 8,000 | 9,900 |

¹ Amounts paid vary with length of service, place and kind of duty, and subsistence payments and rental allowances granted.

Source: *Congressional Record*, June 23, 1942, p. A2550.

Allowances and Allotments

In connection with military service, allotment means a deduction from the enlisted man's pay for a specified purpose, and allowance refers to a grant or subvention or, in effect, increased compensation provided from Federal funds in addition to the man's regular pay. From about the end of the Civil War to the Spanish-American War, enlisted men had the privilege of allocating voluntarily from their pay a deduction of \$5 or more per

month, to be refundable on their discharge. With the Spanish-American War came the privilege, again on a voluntary basis, of allotments from pay for the support of the man's family or dependents or, as before, for a savings account. These unsubsidized voluntary allotments were in operation until our country entered the first World War. The War Risk Insurance Act of 1917 introduced the principle of compulsory allotments of half pay in the case of men who had families; those with no family continued under the voluntary privilege. For men compelled to make allotments for the benefit of their families, there was a further provision which said in effect, "If you will make an additional voluntary allotment over and above the mandatory amount, the Government will augment it by an allowance to the qualifying dependents." In June 1918 some simplification was effected by making the compulsory allotment a flat amount of \$15 a month and the additional voluntary allotment a flat \$5 per month.

After the United States entered the present conflict, numerous bills to establish new systems of allotment and allowance protection were introduced in Congress. The Servicemen's Dependents Allowance Act of 1942 (Public, No. 625, 77th Cong., 2d sess.) is the measure finally enacted and approved by the President on June 23, 1942. In brief, this law provides a system of monthly payments to eligible dependents of all enlisted men except those in the three top grades (such as first and master sergeants in the Army and chief petty and warrant officers in the Navy); these payments consist of an allotment deducted from the enlisted man's pay and a substantial additional allowance from the Government, and are payable on written application in behalf of or from the dependent. In most cases, the applications for these pay deductions are expected to come from the enlisted man, but the qualifying dependents have the privilege of filing application if the enlisted man is remiss or is unable to make application himself. While the deductions are not rigidly compulsory by law, practically complete participation is expected in connection with Class A dependents. The increased pay scale combined with the Government allowance gives the man and his family an income greater than anything of the kind heretofore in effect for servicemen.

Table 1 summarizes the amounts available to the enlisted man's family or dependents. The

amount shown as coming from the soldier's pay, practically compulsory for the Class A relatives, is voluntary for the Class B dependents. For illustration, we shall select an Army private, with a wife and two children, who is detailed to foreign service; from his base pay of \$60 a month \$22 is allotted to his family, leaving him \$38 (this amount in itself is higher than the full base pay used to be); his contribution of \$22 is increased by a Federal allowance of \$50, and the combined monthly payment to his family is thus \$72. All told, it is tantamount to cash compensation for this Army private of \$110 per month. The amounts of deduction and allowance do not vary with the enlisted man's pay grade; since additional voluntary allotments are possible, however, the men in the fourth grade, for example, are more readily able to elect such voluntary additions than, say, the men in the sixth grade. The payments under this measure were approved June 1942; originally, they were not to commence until November 1, 1942, but subsequently, the November 1 date was amended and payments became possible dating from June 1, 1942.

In addition to the allotments and allowances for dependents, enlisted men of all grades may elect or apply for automatic deductions from their pay for a variety of other purposes. One case is known in which the man was having 11 or 12 pay-day allotments, each deduction for a different purpose.

Table 1.—Provision for dependents of enlisted men, fourth to seventh grade¹

| Class of dependent | Government contribution | Allotment from soldier's pay | Total |
|---|-------------------------|------------------------------|-------|
| Class A: ² | | | |
| Wife, no child..... | \$28 | \$22 | \$50 |
| Wife, 1 child..... | 40 | 22 | 62 |
| No wife, 1 child..... | 20 | 22 | 42 |
| Former wife, divorced..... | 20 | 22 | 42 |
| Class B (with no Class A dependents): ³ | | | |
| 1 parent..... | 15 | 22 | 37 |
| 2 parents..... | 25 | 22 | 47 |
| 1 parent, 1 sister..... | 20 | 22 | 42 |
| 1 parent, 2 sisters..... | 25 | 22 | 47 |
| Class B (with Class A dependents): ⁴ | | | |
| 1 parent..... | 15 | 5 | 20 |
| 2 parents..... | 25 | 5 | 30 |
| 1 parent, 1 sister..... | 20 | 5 | 25 |
| 1 parent, 2 sisters..... | 25 | 5 | 30 |

¹ Provisions listed in this table are representative of those provided in Public, No. 625; many other combinations are possible. Servicemen may be compelled to make allowances to Class A dependents; allowances to Class B dependents are optional with the servicemen.

² Includes wife, former wife, and children.

³ \$10 more will be paid for each additional child.

⁴ Maximum. Amount varies with amount of alimony and number of other dependents of the serviceman.

⁵ Includes dependent parents, grandchildren, brothers, and sisters. Government's contribution to Class B dependents limited to \$50.

⁶ These payments are in addition to those made to Class A dependents.

Allotments may be made for National Service or U. S. Government Life Insurance, for payment of premiums on commercial insurance policies, for savings programs, for installment purchase of war bonds, for family assistance supplementary to the regular program, and for numerous other purposes. The administrative task assumed by the War and Navy Departments for handling these various allotments and assuring that the right amounts are transmitted to the right individuals or establishments must constitute a most difficult problem. Its complexity can be seen by considering the constant geographic movement of men, periodic promotion in grade, the frequent movement of beneficiaries, the changes in the status of dependents caused by such occurrences as death, marriage, and attainment of age 18, and the numerous cancelations and new elections on the part of the servicemen.

Death and Disability Payments

The Administrator of Veterans' Affairs carries on numerous programs for veterans of previous wars and the regular military establishment. These include pensions for veterans of wars prior to World War I, disability compensation and survivors' benefits for World War I veterans, medical treatment and domiciliary care, funeral costs, and insurance plans. The medical and hospital services are of a wide variety. In general, also, veterans and their families receive consideration by the Government in such fields as job placement and preference in civil-service appointments. The present article will outline only briefly the cash-benefits program for death and disability.¹ The schedule of monthly benefits during war periods carries higher amounts than operate in times of peace. The wartime program of benefits now in effect for the armed services is the one outlined here.

Deaths occurring among enlisted men while in official duty status (liberally construed, it is believed) and disabilities of a service-connected nature are compensable under the plan. The following tabulation indicates the amounts payable to survivors. Widows' benefits are payable until death or remarriage; unmarried children's benefits until age 18, or age 21 if they are attend-

¹ For a full discussion of the subject see Aaronson, Franklin M., "Pensions and Compensation for Veterans and Their Dependents," *Social Security Bulletin*, Vol. 5, No. 11 (November 1942), pp. 10-24.

| Survivor | Monthly benefit |
|--|-----------------|
| Widow under 50 years..... | \$38 |
| Widow aged 50 or over..... | 46 |
| Children (widow present): | |
| First child under 10 years..... | 10 |
| First child 10 years or over..... | 15 |
| Each other child under 10 years..... | 8 |
| Each other child 10 years or over..... | 13 |
| Children (no widow): | |
| 1 child..... | 20 |
| 2 children..... | 33 |
| 3 children..... | 46 |
| Each additional child..... | 8 |
| Maximum for widow and children..... | 83 |
| 1 dependent parent..... | 45 |
| 2 dependent parents..... | 60 |

ing school. If the child becomes helpless and permanently incapable of self-support before age 18, the benefits are continued after that age. The benefits for partial disability are such pro rata part of total-disability payments as is indicated by the degree of disability established by the application of a schedule-rating procedure. A veteran rated 90-percent disabled, for example, receives \$90 a month; one 80-percent disabled \$80. In addition, there are statutory payments for specified anatomical losses. A combination of severe disabilities may entitle a veteran to as much as \$285 per month. There are measures taken for rehabilitation, prosthetic appliances, and other aids for the physical reestablishment of the injured man.

During the fiscal year ended June 30, 1941, payments to survivors of veterans and to disabled veterans of World War I, for service-connected causes, were of the following magnitude:

| Beneficiary | Approximate number of beneficiaries | Approximate payments for fiscal year 1940-41 |
|-------------------------|-------------------------------------|--|
| Total..... | 480,000 | \$223,000,000 |
| Widows..... | 30,000 | 14,000,000 |
| Surviving children..... | 31,000 | 5,000,000 |
| Surviving mothers..... | 55,000 | 25,000,000 |
| Surviving fathers..... | 24,000 | 10,000,000 |
| Disabled veterans..... | 340,000 | 169,000,000 |

In addition, payments of some \$37 million were made during the year to about 125,000 beneficiaries on account of non-service-connected deaths or disabilities.

With a larger number in the armed services than ever before, it is probable that the veterans of the present war will entail benefit expenditures substantially greater than the costs for World War I. There is no general old-age pension program for

enlisted men and no general survivors' program for deaths wholly unrelated to World Wars I or II. Nor is there at present any coordination between veterans' benefits and old-age and survivors' benefits under the Social Security Act. The need for such coordination is obviously present, and with the new cohorts of beneficiaries arising from the present conflict, the necessity for an intelligent coordination to prevent anomalies and pyramided benefits will be very much increased.

Life Insurance

Life insurance policies written before the war do not, in the main, carry any restrictions as to deaths occurring in wartime. Currently, however, all life insurance companies are selling policies providing only refund of premiums (or reserve) if death occurs outside of certain "home areas" while in, or as a result of, duty in the armed services, the exact restriction depending on each company's particular "war clause." This is a necessary precaution taken by the companies to safeguard the interests of the millions of present policyholders. Some companies have offered complete coverage subject to very substantial extra premiums, but little insurance on this basis has been issued. The Federal Government can, far better and with more reason, underwrite the extra hazard caused by war and is now doing so in making the inexpensive National Service Life Insurance available to the armed forces.

In World War I the Government offered 1-year renewable insurance to the armed forces, and a large proportion signed up; at one time around \$40 billion was in force, representing an average policy of between \$8,000 and \$9,000. After the war, this term insurance was convertible to permanent forms as United States Government Life Insurance, but the amount so continued dropped off sharply. Even though new policies have been sold among the peacetime military establishment, only about \$2½ billion was in force as of June 30, 1942.

As of October 8, 1940, the National Service Life Insurance Act of 1940 (Public, No. 801, 76th Cong.) suspended the further issuance of United States Government Life Insurance. National Service Life Insurance can be purchased by the armed forces, officers and men, up to a \$10,000 maximum. It is on the 5-year term form, with premiums payable by deduction from pay. After

carrying a policy for a year, the individual can convert it to one of three permanent forms—ordinary life, 20-pay life, or 30-pay life. The initial term policies, at least, confine the beneficiary of the policy to spouse, child, parent, or sibling and provide for claim payment in monthly installments for 20 years if the beneficiary is under age 30 at the time of the serviceman's death, or for life (with 10 years' payments guaranteed) when the beneficiary is aged 30 or over. In the event of total disability of the insured for at least 6 months and prior to age 60, the policies provide for the waiver of premium payment during such disability, thereby keeping the insurance in force. The monthly cost for this convertible term insurance for a person aged 30 is about \$7 for the maximum amount of \$10,000.

An automatic extension of coverage of National Service Life Insurance has been effected by amendments whereby, in cases of death, disability, or capture occurring prior to April 20, 1942, the service members involved are presumed to have applied for policies of \$5,000 if they did not already have that much Government insurance.

National Service Life Insurance has not yet been elected by the forces now in service to the extent prevailing during World War I. The main reason appears to be that in the last war considerable sales pressure was brought to bear on the men as they joined up or left for overseas, whereas this time large numbers of the early selectees anticipated only a 1-year period of training and then return to private life. As of June 30, 1942, some 3 million policies had been issued for about \$15 billion of insurance, averaging around \$5,000 per policy. Current impetus in sales has brought the October 31, 1942, figures to about 4.8 million policies for nearly \$27 billion, averaging over \$5,500.

National Service Life Insurance is a convenient, inexpensive protection made available by the Government without extra premium or other restrictions for the extra mortality hazard of war, and with no requirement for any special medical examination if it is applied for within 120 days of entering service. It is understood that insurance companies are cooperating in pointing out the advantages of this protection (up to \$10,000) before they offer the serviceman, or potential serviceman, their necessarily more limited policies.

Safeguarding Rights During Service

Reemployment.—The Selective Training and Service Act of 1940 requires employers to reinstate demobilized servicemen in their jobs and seniority following their military service. Certainly most employers will want to accede wherever possible. If the man is physically unable to resume his former job, employers will probably attempt to find work suited to his condition, and in many instances he will be eligible for veterans' disability benefits commensurate with his degree of disability.

Unemployment compensation.—The operation of the Selective Service System, intensified since the attack at Pearl Harbor, has created a problem for millions of workers normally covered by State unemployment compensation laws. In those laws, benefits and eligibility requirements have been based on the recent wages preceding unemployment. If because of military service the recency of credited wages disappears, then on demobilization the men will have no protection against unemployment until they are able gradually to build up a new set of wage and employment credits. A majority of States, some 42 by November 1942, have acted to prevent military service from destroying rights to benefits after discharge, and other States may do so before the war ends. Since, in many States, discharge must occur prior to some date in 1943, the question of legislative extension lies ahead in these States. The State amendments for this purpose vary widely in details, but their general objective is to assure, upon discharge, benefit rights at least as favorable as those existing prior to induction. In many States this restoration of status is not operative until the exhaustion of any Federal allowances which may be provided for the period after discharge. It has been suggested that the policy of the Federal Government concerning demobilization be drastically changed from that of World War I so that, instead of providing merely a ticket home and a small lump sum in cash, the ex-serviceman shall be provided with monthly benefits for a reasonable period, during which time he may obtain steady employment. Such a program would be of particular value to the young selectees who had no previous unemployment insurance status to look to for benefits after discharge.

Old-age and survivors insurance.—In much the

same way that loss of rights would occur in unemployment compensation without remedial legislation, participation in old-age and survivors insurance under the Social Security Act is affected by entrance into military service. Under that act, benefits at retirement or death depend on the relative length of covered employment and on average taxable wages between 1937 (or age 22 if later) and death or retirement at age 65 or over. Since periods of time spent in activities excluded from coverage obviously lower the weight of both these factors, insurance rights can lapse and the average wage will be permanently lowered even if benefit eligibility should be maintained or regained. Clearly these penalties should not be imposed because of military service. The Administration and Congress have on several occasions cited this problem as needing correction. Since death in service carries substantial monthly compensation to the family through veterans' benefits, the remedial legislation is not of immediate urgency (unless large numbers, because of age or skills, are released to return to private employment) but should take shape in sufficient time to become fully operative at the close of hostilities.

Several approaches have been suggested, including: suspending the insurance and freezing a worker's existing benefit status for resumption without penalty on his return to private life; granting insured status automatically to servicemen, possibly contingent on their having previously worked in covered employment; or extending both the benefit and tax provisions of old-age and survivors insurance coverage directly to all members of the armed forces. Still another proposal is contained in the recently introduced Eliot bill (H. R. 7534), among other proposed changes in many aspects of the social security program. A provision in this bill would count military service as covered employment in connection with benefits and insured status but would not require the serviceman to pay contributions; general revenue would supply the additional costs involved. For benefit purposes, the serviceman would be deemed to have been paid, during the period of service, at the rate of \$100 per month or, if higher, at his average monthly pay (up to \$250) during the year immediately preceding his induction. Survivor benefits would not be payable under this bill if any military pension is avail-

able to any beneficiary because of a serviceman's death while in the armed forces.

Railroad retirement.—A third Federal program containing benefit provisions for industrial workers which is affected by induction into military service is the Railroad Retirement Act. If Congress had not considered the operation of selective service in its effect on inducted railroad employees, the time spent in military service would not have counted as creditable service in computing the total years of service for benefit determination. The railroad retirement benefit differs in principle from benefits under either of the other two social insurance programs because it is a direct function of both railroad service after the effective date of the act and service prior thereto. The railroad retirement program as now amended grants military credit for war service or involuntary service rendered prior to January 1, 1937, if the individual was a qualified railroad employee on August 29, 1935; this provision has the effect of increasing for many the number of prior-service years, which is a multiplier factor in computing the benefit amount. All employees will also receive military credit for involuntary, emergency, or war service entered upon after January 1, 1937. Credit for any service is conditioned on the fact of railroad employment within 2 calendar years before the military service began. The amendment provides that an appropriate reduction shall be made in the railroad retirement benefit if the same period of military service is also used as a basis for any military pension. Also, for the purposes of determining the lump-sum death benefit under the railroad program—normally 4 percent of “contributory” compensation—a person shall be deemed to have creditable compensation of \$160 for each month of allowable military service after January 1, 1937.

Insurance and retirement plans of employers, public and private.—Many private employers have plans in operation which provide one or more of the following protections: life insurance; benefits for accident and sickness, accidental death and dismemberment, hospitalization, and surgical operation; and retirement annuities. Usually employees as well as the employer contribute to the cost of these programs. One commonly used method of administering benefits of this nature is through “group insurance contracts” with life insurance companies. The primary parties to

these contracts are the employer and the insurance carrier; the employees receive certificates outlining their rights. The following figures indicate the approximate number of employees covered at present by formal contracts of group insurance; in addition, considerable numbers are protected under “uninsured” employer arrangements (self-insured or trustee plans), and many persons are participating in benefit and relief associations run mainly by local organizations of the employees themselves.

| Type of insurance: | Approximate employees covered, September 1942 |
|---|---|
| Group life..... | 13, 000, 000 |
| Group accident and sickness..... | 5, 000, 000 |
| Group accidental death and dismemberment..... | 2, 250, 000 |
| Group hospitalization..... | 2, 500, 000 |
| Group surgical operation..... | 2, 000, 000 |
| Group annuities..... | 1, 000, 000 |

¹ In addition, about 1.3 million dependents of these employees are covered.

² In addition, about 300,000 dependents of these employees are covered.

When the Selective Service System first began to operate late in 1940, the expected period of service was a single year. Employers arranged in many instances for continued participation under certain of the benefit plans, either by paying the premiums or contributions for their employees, or by allowing the employees to continue making payment of their share. In any event, the selective service legislation stipulated that the service period should be treated as a furlough or leave of absence; after that period the employee, reinstated to active employment, would be entitled to resume participation in insurance or other benefit plans. Now that the service periods have been lengthened indefinitely, the continued active participation in these plans through employee-employer contributions has, in most cases, been suspended for the duration. The inducted employees are cared for in the event of death, disability, or hospitalization through the various veterans' payments. Also, many companies in which the serviceman had been covered by group life insurance are paying the premiums (some companies for a year, some for the duration) for a policy of National Service Life Insurance taken out by the serviceman in amounts at least equal to the amount of the canceled group life protection. It will be noted that in many cases of group hospitalization and surgical operation insurance,

the dependents of employees are eligible for similar protection. Dependents of inducted persons have usually been able to have their protections continued by some arrangement for contributing adjusted premiums under the master agreement between the employer and the insurance company. It should also be mentioned that group annuity insurance, when contributory as most of it is, contains cash-surrender values available on termination of employment. It is unlikely, however, that any large proportion of inducted employees have considered their induction as termination of employment, so that it is expected in the main that their equity will remain under the contract and that on return to work they can again resume the contributions under the retirement plan, possibly even with some service recognition on the part of the employer for the hiatus represented by the war.

Much of the discussion in the previous paragraph is also pertinent to the situation in areas of public employment. The main benefit program in effect for employees of governments at the Federal, State, and local levels is a retirement or pension system; life insurance or temporary sickness benefits are seldom provided. More than 50 percent of civilian public employees are currently members of some form of retirement plan; so far, these employees cannot enjoy the additional protection afforded by the Social Security Act. While changes in these legislative plans are more difficult to inaugurate and slower to accomplish, it is generally conceded that the necessity exists for amendments to safeguard the rights of employees entering the armed forces. Many public retirement systems already provide for leaves of absence to employees entering the service, and many even grant credit under the retirement plans for the period of war service. Usually, contributions of employees on military leave have been suspended without the anticipation that reimbursement will be required for such period. Those plans which have not already acted in this connection will undoubtedly obtain the appropriate amendments from the legislatures (if legislation is necessary). The largest public employee staff retirement plan, the Federal Civil Service Retirement Act, has for some time contained a proviso that the period of Government service forming the basis for computing the annuity is to include periods of military service (except such service as may be used in

computing any military retired pay, excluding service-connected disability retirement pay). Thus, under the civil-service retirement system, military service is recognized retroactively, so that a person who has had spells of such service, either in war or in peace, is allowed to have such time credited for purposes of determining any retirement benefit to which he may become entitled under the civil-service plan.

A retirement plan covering age or disability is in operation for commissioned officers of the armed forces, with eligibility and benefits subject to certain conditions of length of service. For the enlisted man, the Veterans Administration provides protection in the event of disability, while a governmental retirement plan is in effect for those enlisted men who adopt military service as a career. Since, under this age retirement arrangement, 30 years' service is required, the number who may be expected to retire under this plan will be relatively small; at present, of all the previous cohorts of enlisted personnel, about 25,000 individuals are receiving retirement benefits.

Relief From Certain Civilian Obligations

Under the enlistment and draft measures of World War I it was found necessary to pass legislation to ensure that the man suddenly thrust into uniform would not suffer because of obligations he had undertaken as a civilian or would not be at the mercy of creditors who might take advantage of his military absence. The Soldiers' and Sailors' Civil Relief Act of 1940 was enacted on a similar pattern. The 1940 act primarily envisioned only a 1-year period of military training, but after the attack at Pearl Harbor, which occurred only little more than a year after the passage of the act, amendments of extension and clarification were found necessary. These have been effectuated by the Soldiers' and Sailors' Civil Relief Act Amendments of 1942, effective October 6, 1942.

The present law suspends the enforcement of certain civil liabilities as to persons serving in the military and naval establishments and offers relief for the period of service from certain other obligations. There are provisions under the heading of "general relief" whereby court action detrimental to the interests of the serviceman may be stayed for the duration, or deferred until the

appointment by the court of an attorney to represent the defendant. A judgment rendered against a person in military service may, under appropriate conditions, be opened by such person for defense after his return to civilian life. The period of service, moreover, shall not count as elapsed time under any statutes or regulations of limitation for any court proceeding involving the serviceman.

Another portion of the law prevents the hasty eviction of dependents under foreclosure or for unpaid rent; gives reasonable protection against the seizure of goods under installment purchase agreements; and protects insurance policyholders against untoward exercise of option by an assignee, such as surrendering for cash without the policyholder's consent. The act also provides for certain tax relief and prevents undefendable sales for taxes. The law in general prohibits interest charges on outstanding obligations of the serviceman in excess of 6 percent per annum. Various other measures for assistance, postponement, and additional relief are possible under this law.

Article IV of the act establishes the rights and procedures in connection with commercial life insurance policies under which premiums fall due while the owner is in the forces and for 2 years thereafter. If he is unable or does not wish to meet these premiums from his personal funds, or if he does not arrange for an allotment from his military pay for the purpose, he has the privilege of applying for the benefits of article IV. These benefits constitute a guarantee by the Veterans Administration that the insurance (up to \$10,000) will be kept in force through an arrangement between that agency and the insurance carrier. For a person to qualify for this Government guarantee, his insurance must be free of any war restrictions and must have been in force on a premium-paying basis for at least 30 days before the insured man entered the service. During the period of guarantee the insured may not cash in or borrow on the policy without the approval of the Veterans Administration. If the man dies or the policy matures during the period of guarantee, the aggregate premiums under the plan up to date of death or maturity plus interest (at company's rate for policy loans) are deducted from the claim settlement and credited on the insurer's records to the account of the Veterans Administration. The premiums and interest, the guarantee of which lies

with the Veterans Administration, constitute a Government lien on the policy dischargeable from any proceeds or value. There will be a final transaction to settle the cumulative accounts between the insurance carrier and the Veterans Administration at such time after the war as the guarantees provided under the act expire.

Protection Status of Certain Allied Groups

In general, the programs previously described are in operation for the armed forces proper, that is, the Army, Navy, Marine Corps, and Coast Guard. In recent months allied service units have been set up including the Army Specialist Corps, the Women's Army Auxiliary Corps (WAACS), the Women's Reserve of the Navy (WAVES), and the Women's Reserve of the Coast Guard (SPARS).

The Army Specialist Corps² is an organization in the War Department composed of uniformed civilian employees of a professional or technical character; the corps is not in general covered by protections previously outlined. Its members, however, are subject to the Civil Service Retirement Act and are eligible to benefits for injuries or death suffered in the course of their occupation as provided in the U. S. Employees' Compensation Act.

The WAACS is an organization in the War Department composed of uniformed civilian female employees, to make available to the Army the advantages of certain special training of women and to free regular Army personnel for more active duty. This corps does not, in general, come under the protections previously described, except that its members are eligible for all the provisions of the Soldiers' and Sailors' Civil Relief Act. They are not subject to the Civil Service Retirement Act, though they are covered by the U. S. Employees' Compensation Act.

The women's branch of the Naval Reserve (WAVES) and the women's branch of the Coast Guard Reserve (SPARS) were created, in two separate acts, by Congress for the purpose of relieving certain male personnel for duty at sea. Members of these women's reserves are not eligible for the disability or death benefits of the Veterans Administration, but are entitled to apply for National Service Life Insurance. They would,

² At the time of writing, this corps is undergoing reorganization to merge with the regular Army.

however, be covered by the U. S. Employees' Compensation Act, although they are not subject to the Civil Service Retirement Act.

In summary, we find an extensive set of programs for the benefit of the armed forces and their families: higher rates of base pay, extra payments for dependents, monthly benefits at death or

disability, inexpensive life insurance, security of civilian jobs and the allied benefit plans, and relief or suspension in the field of private obligations. Taken together, these provisions form a significant recognition by Government and the public of the dislocations and sacrifices undergone by members of our uniformed services.