

IV - MRB -
12-31-

PRELIMINARY INVENTORY
OF THE RECORDS OF THE HOUSE SELECT COMMITTEE TO
INVESTIGATE EDUCATIONAL, TRAINING, AND LOAN GUARANTY PROGRAMS
UNDER OI BILL
1950 - 1952

Compiled by
George P. Farros

THE NATIONAL ARCHIVES
NATIONAL ARCHIVES AND RECORDS SERVICE
GENERAL SERVICES ADMINISTRATION

WASHINGTON: 1957

1. [unclear] 2. [unclear] 3. [unclear]
1. [unclear] 2. [unclear] 3. [unclear]
✓ 1. [unclear] 2. [unclear] 3. [unclear]

CONTENTS

	Page
Introduction	1
Inventory	5

INTRODUCTION

From the very beginning, the Federal Government has assisted, by various benefits, the return of its veteran soldiers to civilian life after honorable service in war. Before World War I, the assistance programs emphasized grants of public lands and cash awards, with special consideration for those disabled in action. World War I, however, introduced a program for the rehabilitation of veterans disabled in that conflict, and a new concept of medical care for discharged servicemen. The medical care was, at the beginning, restricted to veterans with service - connected disabilities; subsequently, wartime veterans with disabilities not derived from service became eligible for medical benefits under certain conditions. World War II established a broader view of the nation's obligations to men and women honorably discharged from the armed services. Congress translated this concept into law early in the summer of 1944: Public Law 346, 78th congress, June 22, 1944 (58 Stat. 284). This statute (also known as the Servicemen's Readjustment Act of 1944, "The G I Bill of Rights," or "The G I Bill") followed the enactment of Public Law 16, 78th Congress, March 24, 1943 (57 Stat. 43), which provided for the vocational rehabilitation of disabled veterans.

The Servicemen's Readjustment Act of 1944 guaranteed loans to veterans for certain purposes; paid unemployment benefits to them, for a determinate period, while they were workless; and provided for the payment of the tuition, school supplies, and subsistence of those who, eligible under the act, desired to seek formal education and vocational training before fully entering civilian life. Besides assisting the transition of the veteran to civilian life, the act had the further purpose of easing the impact upon

the nation's economy caused by the entrance into the labor market of millions of demobilized men and women at a time when industry was shifting from wartime to peacetime production. The Vocational Rehabilitation Act of 1943 instituted a rehabilitation program for the disabled veteran similar to that enacted for his brother of World War I. Congress amended both of these statutes in the postwar period, without affecting, however, their basic purposes.

Legions of veterans availed themselves of the educational and training benefits under the G I Bill. Almost from the start, the management by the Veterans Administration Administration of the educational program ran into criticism; there were mounting charges, from veterans and their organizations, from educational institutions, and from other sources, that the program was marked by errors, abuses, waste, managerial inefficiency, and in some instances, corruption and larceny. The upshot of these attacks was the unanimous adoption by the House of Representatives, on August 28, 1950, of House Resolution 474, 81st Congress, which authorized and directed the investigation by a select committee "of the alleged abuses in the education and training program of World War II veterans." The resolution, submitted on February 15, 1950, by Representative Olin E. Teague, of Texas, provided in part as follows:

Resolved. That there is hereby created a select committee to be composed of nine Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation and study of the alleged abuses in the education and training program of World War II veterans, and of action taken or the lack of action taken by the responsible officers and employees of the Veterans' Administration and State approving authorities to prevent abuses under the Servicemen's Readjustment Act, as amended.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable.

On September 20, 1950, the Speaker of the House appointed Representatives Olin E. Teague, of Texas (Chairman); Clair Engle, of California; Joe L. Evans, of Tennessee; Richard Bolling, of Missouri, Earl Chudoff, of Pennsylvania; Bernard W. Kearney, of New York; J. Glenn Beall, of Maryland; Alvin F. Reichel, of Ohio; and Hubert H. Scudder, of California, as members of the Select Committee to Investigate Educational and Training Program Under G I Bill. The staff of the committee consisted of E. R. Ferguson, Jr., Counsel; George M. Rose, Staff Member; James E. Flannery, Research Analyst; and George W. Fisher, Clerk.

Since the committee, created near the end of the 81st Congress, was destined for a short life, it could make only a limited investigation: its areas of investigation were the management by the Veterans Administration of the education and training program; the policies of the Veterans Administration respecting the issuance of books, tools, and supplies to veteran students and trainees; the contracting procedures of the Veterans Administration concerning educational institutions desirous of participating in the education and training program; and the on - the - job training program under the G I Bill. On January 2, 1951, the committee reported to the House of Representatives its findings and recommendations for remedial action (House Report 3253, 81st Congress, 2d session), and then ended its existence.

House Resolution 93, 82nd Congress, agreed to on February 2, 1951, extended the life of the committee through the 82nd Congress, and enlarged its powers to include an evaluation of the education and training program, and an

investigation of the veterans' loan guaranty program. Representative Olin E. Teague continued as chairman of the committee, which was renamed the Select Committee To Investigate Educational, Training, and Loan Guaranty Programs under G I Bill. The other members of the committee, appointed, as was Representative Teague, on February 8, 1951, by the Speaker, were Representatives Clair Engle, of California; Joe L. Evins, of Tennessee; Earl Chudoff, of Pennsylvania; Harold A. Patten, of Arizona; Alvin F. Weichel, of Ohio; J. Glenn Beall, of Maryland; Hubert B. Scudder, of California; and Thruston B. Morton, of Kentucky. Appointed to the committee staff were Oliver E. Meadows, Staff Director; George M. Rose, Staff Member; and James E. Flannery, Research Analyst. The committee resumed its interrupted investigation and, in addition, discharged the new tasks committed to it.

In carrying out the duties entrusted to it by House Resolution 474, 81st Congress, and House Resolution 93, 82nd Congress, the committee held hearings intermittently from December 11, 1950, to June 11, 1952, in California, Pennsylvania, Tennessee, Texas, and Washington, D. C. It embodied its final findings and conclusions in two lengthy reports (House Report 1375, 82nd Congress, 2d session; and House Report 2501, 82nd Congress, 2d session), submitted to the House on February 14, 1952, and September 11, respectively. Upon the submission of the latter report, the committee's work was completed.

The records of the committee described in this inventory, amounting to approximately 20 cubic feet, are part of Record Group 233, Records of the United States House of Representatives. No person may have access to, or receive information contained in, the records of the committee except upon express authorization of the House of Representatives.

Among the administrative records of the committee are returned subpoenas served upon prospective witnesses; correspondence with United States marshals respecting the service of subpoenas; correspondence with witnesses, accompanied with vouchers, respecting reimbursement of their expenses for testifying before the committee; reference service reports from the Legislative Reference Service of the Library of Congress; and drafts, page proofs, and prints of reports of the committee to the House of Representatives. Arranged by subject.

CORRESPONDENCE OF THE CHAIRMAN WITH THE CENTRAL OFFICE OF THE VETERANS ADMINISTRATION. Aug. 1950 - Nov. 1952. 10 in.

Correspondence of Representative Olin E. Teague with the central office of the Veterans Administration, relating to the agenda of the committee. Arranged alphabetically by name of correspondent and chronologically thereunder.

RECORDS RELATING TO THE HEARINGS IN PENNSYLVANIA. Feb. 1951 - July 1952. 3 feet.

Public Law 346, 78th Congress, provided that once the designated State agency had adjudged a private school "qualified and equipped," to train students, the school could enter into a contract with the Veterans Administration for the training of veteran students. On June 4, 5, and 6, 1951, the committee held hearings in Harrisburg, Pennsylvania, to look primarily into the operations of the Department of Public Instruction of the State of Pennsylvania, the designated approval authority for schools seeking to train veterans. The committee held

correspondence and related papers of committee and staff members, would-be, with related correspondence, committee employees, witnesses, and on travel supplies and other expenses; budget estimates and bases for their requests; oral correspondence, memoranda, and statements of committee organization and procedures.

further hearings in Philadelphia on June 18 and 19, 1951, to inquire into questionable activities of certain private trade school operators and veteran students. The records of this series consist in general of correspondence of the chairman and of correspondence and investigative reports and memoranda of staff members. Arranged alphabetically by subject.

INVESTIGATION OF THE TRI - STATE TRAINING INSTITUTE, INC., WHEELING, WEST VIRGINIA. May 1951 - 4 in. 4

Among the private trade schools investigated by the committee was the Tri - State Training Institute, Inc., Wheeling, West Virginia, supported chiefly by funds available under the G I Bill. The Committee found that the school, partly owned by an official of the State of Pennsylvania "responsible for approving schools for veterans' training" had been established on an initial investment of \$4,000., and that the owners had reaped over a period of four years \$136,871.06 in salaries, dividends, and expenses. The investigation of the school was an outgrowth of the committee's activities in Pennsylvania. The bulk of the documentation in this series consists of memoranda of staff members. Unarranged.

RECORDS RELATING TO THE HEARINGS IN SAN DIEGO, CALIF. Aug. 1951 - July 1952. 4 in. 5

The Servicemen's Readjustment Act of 1944 authorized the Veterans Administration to guarantee loans made to World War II veterans for the purchase, construction, alteration, or improvement of homes, farms, or business enterprises. On December 4 and 5, 1951, the committee held hearings in San Diego, California, to look into the abuses in the administration by the Veterans Administration's San Diego regional office of the loan guaranty provisions of the G I Bill. The records

of this series relate to the hearings, and to the investigations preparatory thereto; consisting of correspondence of the chairman, memoranda of the Staff, and clippings of newspapers dealing with the work of the committee. Arranged alphabetically by subject.

RECORDS RELATING TO THE INVESTIGATION IN WASHINGTON, D. C.
METROPOLITAN AREA. April 1952 - July 1952. 6 in.

6

In furtherance of its investigation of the operation of the loan guaranty program, the committee, on June 4, 6, 9, and 11, 1952, held hearings in Washington, D. C. Housing bought by veterans under this program (particularly in the Templeton Knolls Subdivision, East Riverdale, Maryland; in the Roxboro Subdivision, Rockville, Maryland; and in the Lane Manor Project, Prince Georges County, Maryland) figured in the committee's investigation. Among the records of this series are correspondence and informational materials, particularly photographs of veterans' housing. Arranged alphabetically by subject.

RECORDS RELATING TO THE INVESTIGATION OF PRIVATE TRADE SCHOOLS IN
TENNESSEE. Aug. 1951 - Mar. 1952. 2 ft.

7

Thousands of privately owned trade schools sprang up to participate in the training of veterans under the G I Bill. Many of these were fly - by - night institutions. To inquire into the nature of the abusive or illegal practices of these schools (by which they procured excessive profits at the expense of the Federal Government and at the same time furnished doubtful training to veterans), the committee investigated proprietary trade schools in Tennessee, holding hearings in Memphis, Nashville, and Murfreesboro. Among the records documenting this investigation are correspondence and reports of the committee's investigators, correspondence of the chairman, exhibits, affidavits of witnesses, and

correspondence with the Veterans Administration regional office at Nashville, Tennessee. Arranged alphabetically by name of organization or by subject.

RECORDS RELATING TO THE REPORT OF THE VETERANS ADMINISTRATION ON THE EDUCATION AND TRAINING PROGRAMS FOR VETERANS. Aug. 1950-July 1951. *sent to the Senate*
3 ft. 8

On January 25, 1950, the Administrator of Veterans Affairs ^{Com-} _^ mittee on Labor and Public Welfare "a detailed report on the education and training program under the Servicemen's Readjustment Act, as amended." Appendix D of the report, titled "Typical examples of problems confronted by Veterans Administration in its relationship with educational institutions," sets forth the purported facts of the cases of 258 schools (not identified by name and address, but arbitrarily designated by numbers 1 - 258) exemplifying the "problems." The select committee, believing the facts in at least some of the cases to be misrepresented, obtained from the Administrator of Veterans Affairs the names of the schools, and made a study of all the charges against them. Most of the records in this series are the case files of the committee on the 258 schools; the other records consist in the main of correspondence with the Veterans Administration and with the schools, and of memoranda of staff members. The case files are arranged by the numerical designations (to which the committee staff has added the correspondent names of the schools) used in Appendix D; the other records, by subject.

RECORDS RELATING TO THE CIRCULAR LETTER OF THE COMMITTEE TO THE
REGIONAL OFFICES OF THE VETERANS ADMINISTRATION.
Oct. 1950 - July 1952. 8 in.

2

In October and November of 1950, the committee sent identical letters to the regional offices of the Veterans Administration, the gist of which were as follows: "Your assistance is requested in preparing a list of present and former Veterans Administration personnel who were employed in your region and assigned to the Vocational Rehabilitation Program, the Finance Division, Supply Division, contract Division, or in any administrative position connected with the above mentioned services who have been involved in any serious irregularity in connection with the veterans education program. Please follow the outline below in furnishing this material and forward the report directly to the committee" This series of records comprises the replies (in some cases accompanied with supplementary documents) to the circular letters, and correspondence with regional offices on other matters under their cognizance. Included in the series is tabular information on disclosed deficiencies in the operations of regional offices of the Veterans Administration. Arranged alphabetically by the names of the locations of the regional offices.

RECORDS RELATING TO THE COMMITTEE'S STUDY OF STATE APPROVING AGENCIES.
Nov. 1950 - Jan. 1951. 9 in.

10

In the latter part of 1950, the committee sent circular letters to the agencies of the different states and territories charged with determining within their respective jurisdictions the schools "qualified and equipped" for the training and education of veteran students. The

letters requested the following information: a brief history of the organization of the State Approving Agency; organizational charts for each year of its operation; the amount of money provided under each PL 679, 79th Congress, contract and the amount actually spent under each contract; the amount provided for the State Approving Agency by State appropriations each year; a copy of the Agency's current institutional approval list; and rules, regulations, and standards published by the State Approving Agency.

The records of this series consist of the replies to the letters, with accompanying documents. Arranged alphabetically by name of State or Territory.

RECORDS RELATING TO THE INVESTIGATION OF THE VETERANS ADMINISTRATION'S PROGRAM FOR FURNISHING EDUCATIONAL SUPPLIES AND EQUIPMENT TO VETERANS. Aug. 1950 - Feb. 1951. 4 ft.

11

Under Public Laws 16 and 346, 78th Congress, veteran trainees and students received at Government expense books, supplies, and equipment necessary for their instruction. In consequence of charges that the administration of the program was marked by abuses and profiteering on the part of certain schools and supply firms, the committee conducted field investigations in Kentucky and Texas, and in Chicago, Illinois; and, in addition, held hearings in December 1950, in Washington, D. C. The records resulting from these activities comprise, in general, correspondence and memoranda of the chairman and of the staff, reports of investigators, exhibits received by the committee, and informational materials. The documentation of this series is divided into three groups. The records of the first group, arranged alphabetically by name

of school or supply firm, deal with representative charges at schools for equipment and supplies. Those of the second group, arranged likewise, relate to the educational supply policies of the Veterans Administration. The documents constituting the third group, arranged by subject or by names of individuals or organizations, consist in the main of reference materials.

RECORDS RELATING TO THE JOB TRAINING PROGRAMS OF INSURANCE COMPANIES AND AGENCIES. Nov. 1950 - July, 1951. 3 in.

12

In June and July 1951, the committee sent identical letters to a number of insurance companies and agencies sponsoring on - the - job training programs under agreements with the Veterans Administration pursuant to the G I Bill; the letters stated: "In order that the committee may have the complete picture of training programs such as yours, including your relationship with the Veterans Administration, it would be appreciated if you would document the actions that transpired between your Company and the Veterans Administration from the execution of the original agreement to the execution of the termination agreement ...". The records of this series comprise for the most part the replies to the committee's request, with accompanying documents. Arranged alphabetically by name of organization.

TRANSCRIPTS OF THE COMMITTEE'S HEARINGS. Dec. 1950 - June 1952. 4 ft.

13

Hectographed or typewritten transcripts of the hearings held by the committee in public and executive sessions intermittently from December 11, 1950 to June 11, 1952, and printed copies of the transcripts of the public hearings. Arranged chronologically.

OTHER RECORDS OF THE COMMITTEE. Aug. 1950 - July 1951. 1 ft.

11

In the main, records pertaining to the hearings held in Washington, D. C. to review the report of the General Accounting Office on its survey of the veterans' training and education program, and to inquire into the payments to the University of Maryland under the Servicemen's Readjustment Act of 1944; correspondence and other documents relative to the policy of the Veterans Administration governing payment of the tuition of veteran students absent from classes with or without authorization; and correspondence and other documents concerning the inquiry into the expenditure of federal funds under the G I Bill for courses avocational or recreational in character. Arranged by subject.

files on H.R. 6425, H.R. 7656 and other bills and resolutions referred to committee, including related correspondence, reports, and other papers; correspondence, exhibits, clippings, and working papers relating to Texas investigation