

United States. While America's family farmers and ranchers are unmatched in their productivity, they have little or no control over many factors which determine the economic results of their labor.

Veterans who have gone in harm's way and placed their lives on the line by serving our nation in the Armed Forces should not be asked to relinquish their family farm in order to qualify for veterans' benefits. Unfortunately, that is what is occurring today. The Veterans' Family Farm Preservation Act addresses this problem.

Pension benefits administered by the Department of Veterans Affairs (VA) are payable to wartime veterans who are totally and permanently disabled due to a non-service connected medical condition. A small, but important number of these disabled wartime veterans own family farms or ranches, which provide the livelihood for their families. Most family farms in the United States are very small. Over 75% of family farms have less than \$50,000 in gross annual sales. After deductions for costs of operating the farm or ranch, the net income of the family farmer is much lower. Farmers receive an average of 20 cents for every dollar of produce sold. In 1995, the average net farm income for very small farms was \$510. The average net family income for small farms with gross sales between \$50,000 and \$250,000 averaged \$14,335. Clearly most family farmers have modest annual income.

In determining eligibility for pension benefits, VA is required to consider not only the family income, but also the family's "net worth." Currently, unless VA determines that the land can be sold at "no substantial sacrifice", the value of farm and ranch land is included in determining net worth. Some veteran farmers are "land rich." While having little or no liquid assets, the value of their land makes their "net worth" appear larger on paper.

On May 25, 2000, Senator GRASSLEY and I wrote to VA's Under Secretary for Benefits, Joseph Thompson, requesting that he recognize the unique nature of a family farm and take immediate steps to address the need for a fair evaluation of the eligibility of our Nation's family farmers for veteran's pension benefits. On June 27, 2000, Mr. Thompson replied indicating that VA viewed a family farm in the same light as interest-producing bank deposits or securities.

Family farms are important not only for the food and fiber they produce, but also for the values they represent. Family farms should not be considered as simply substitutes for liquid bank accounts or other liquid assets.

In good years, family farms and ranches provide an adequate income. In bad times, adverse crop conditions or illness, the income and liquid resources of family farmers and ranchers are quickly depleted. Wartime veterans have made a substantial sacrifice on behalf of our Nation by serving in the Armed Forces. We should not ask them to sacrifice their family farms in order to receive the assistance they have earned by their wartime service.

I believe that an operating family farm can never be liquidated without substantial sacrifice on the part of the veteran. It is never reasonable to require a veteran to sell his or her means of future livelihood in order to ob-

tain pension benefits or VA health care. If the farm is sold, the assets which in future years can be expected to generate income for the veteran and the veteran's dependents, are permanently lost.

The Veterans' Family Farm Preservation Act would exempt farm and ranch land owned by the veteran and the veteran's dependents from being counted in determining net worth. The bill would also exclude land used for similar agricultural purposes, such as timberland, Christmas tree farms, or horticultural purposes.

During the past century, the number of family farms in our country has declined dramatically. When a veteran is required to sell his or her farm in order to receive necessary VA assistance, another family farm may be lost forever. No veteran should be called on to make this additional sacrifice. I urge my colleagues to support H.R. 5271, the Veterans' Family Farm Preservation Act. America's family farmers and ranchers deserve no less.

Mr. Speaker, I request the response which the Honorable Joseph Thompson, Under Secretary for Benefits of the Department of Veterans Affairs, sent to me and Senator GRASSLEY concerning VA's valuation of farm lands be included in the CONGRESSIONAL RECORD at this point.

DEPARTMENT OF VETERANS AFFAIRS,
VETERANS BENEFITS ADMINISTRATION,
Washington, DC, June 27, 2000.

Hon. LANE EVANS,
Ranking Democratic Member, Committee on Veterans' Affairs, U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN EVANS: This is in response to your letter of May 25, 2000, concerning the issue of net worth as it applies to the non service-connected pension program administered by the Department of Veterans Affairs (VA).

In order to qualify for our pension program, a veteran is required to be permanently and totally disabled. Generally, there are relatively few instances where an individual who is operating a working farm meets the basic requirements for pension eligibility. Although there is no such disability requirement for surviving spouse claimants, it is our belief that an individual operating a farm or other business with assets that could be converted to substantial amounts of cash should not qualify for pension. We view the operator of a business in the same light as an individual owning rental property or an owner of interest-producing bank deposits or securities.

VA pension, similar to Supplemental Security Income (SSI), is intended to provide an income supplement for needy individuals and not to allow beneficiaries to build up substantial assets. Although countable income limitations for VA pension are in the same range as those for SSI, our net worth guideline of \$50,000 for the preparation of an administrative decision is more generous than SSI's \$2,000 for an individual and \$3,000 for a couple.

As you pointed out, our procedural manual, M21-1, indicates that a determination of excessive net worth is a question of fact for resolution after the consideration of the facts and circumstances in each case. The \$50,000 guideline is not to be interpreted as a strict, mechanical limitation. We will issue clarifying guidance on that point.

We are also conducting an analysis of our recent net worth determinations. Based on

these results we will decide whether additional changes to our rules and procedures are appropriate. At that time, we will also consider whether the \$50,000 guideline should be increased. You will be apprised of our results.

In April 2000, representatives from the Veterans Health Administration and the Veterans Benefits Administration met with Senator Grassley, members of his staff, farmers and their representatives in Des Moines, Iowa. We understood their concerns and informed them about our efforts to address their concerns.

Our reports show that between December 1997 and December 1999, an average of 213 beneficiaries had their pension benefits terminated for excessive net worth. In FY 1999, there were 131 terminations for excessive net worth. Unfortunately, no data are available on the number of claimants who are disallowed for excessive net worth, or the number of administrative decisions made annually on the issue of net worth or the type of assets involved.

I hope this information is helpful to you. I am providing Senator Grassley a similar response.

Sincerely,

JOSEPH THOMPSON.

PERSONAL EXPLANATION

HON. CHARLES H. TAYLOR

OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 26, 2000

Mr. TAYLOR of North Carolina. Mr. Speaker, due to flight delays, I was again unavoidably detained in North Carolina and unable to cast a vote on rollcall vote No. 487. Had I been present, I would have voted "yea" on rollcall vote No. 487.

IN HONOR OF DR. MURRAY
ITZKOWITZ, AFTER 31 YEARS AS
EXECUTIVE DIRECTOR OF THE
BRIDGE INC.

HON. CAROLYN B. MALONEY

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 26, 2000

Mrs. MALONEY of New York. Mr. Speaker, I rise today to honor Dr. Murray Itzkowitz, of The Bridge Inc., who after 31 years as Executive Director is now the Executive Director Emeritus in charge of research and new program development.

For more than 45 years, The Bridge Inc. has worked with mentally disabled adults as a nonprofit mental health, rehabilitation, and housing agency. The Bridge is a key provider of housing and support services for the chronically mentally ill within New York City. Its Mental Health Clinic provides individual, group, and family psychotherapy with specialties in, among others, bereavement and divorce counseling, substance abuse counseling, and offers treatment to victims of crime.

The Bridge offers health care services provided by a part-time primary care physical and nurse practitioner team and a full-time licensed practical nurse. This service provides