

PROVIDING FEDERAL GOVERNMENT AID FOR THE  
READJUSTMENT IN CIVILIAN LIFE OF RETURNING  
WORLD WAR II VETERANS

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JUNE 12, 1944.—Ordered to be printed

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MR. RANKIN, from the committee of conference, submitted the  
following

CONFERENCE REPORT

[To accompany S. 1767]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1767) to provide Federal Government aid for the readjustment in civilian life of returning World War II veterans, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

*That this Act may be cited as the "Servicemen's Readjustment Act of 1944".*

TITLE I

CHAPTER I—HOSPITALIZATION, CLAIMS, AND PROCEDURES

*SEC. 100. The Veterans' Administration is hereby declared to be an essential war agency and entitled, second only to the War and Navy Departments, to priorities in personnel, equipment, supplies, and material under any laws, Executive orders, and regulations pertaining to priorities, and in appointments of personnel from civil-service registers the Administrator of Veterans' Affairs is hereby granted the same authority and discretion as the War and Navy Departments and the United States Public Health Service: Provided, That the provisions of this section as to priorities for materials shall apply to any State institution to be built for the care or hospitalization of veterans.*

*SEC. 101. The Administrator of Veterans' Affairs and the Federal Board of Hospitalization are hereby authorized and directed to expedite and complete the construction of additional hospital facilities for war veterans, and to enter into agreements and contracts for the use by or transfer to the Veterans' Administration of suitable Army and Navy hospitals after termination of hostilities in the present war or after such institutions are no longer needed by the armed services; and the Administrator of Veterans' Affairs is hereby authorized and directed to establish necessary regional offices, suboffices, branch offices, contact units, or other subordinate offices in centers of population where there is no Veterans' Administration facility, or where such a facility is not readily available or accessible: Provided, That there is hereby authorized to be appropriated the sum of \$500,000,000 for the construction of additional hospital facilities.*

*SEC. 102. The Administrator of Veterans' Affairs and the Secretary of War and Secretary of the Navy are hereby granted authority to enter into agreements and contracts for the mutual use or exchange of use of hospital and domiciliary facilities, and such supplies, equipment, and material as may be needed to operate properly such facilities, or for the transfer, without reimbursement of appropriations, of facilities, supplies, equipment, or material necessary and proper for authorized care for veterans, except that at no time shall the Administrator of Veterans' Affairs enter into any agreement which will result in a permanent reduction of Veterans' Administration hospital and domiciliary beds below the number now established or approved, plus the estimated number required to meet the load of eligibles under laws administered by the Veterans' Administration, or in any way subordinate or transfer the operation of the Veterans' Administration to any other agency of the Government.*

*Nothing in the Selective Training and Service Act of 1940, as amended, or any other Act, shall be construed to prevent the transfer or detail of any commissioned, appointed or enlisted personnel from the armed forces to the Veterans' Administration subject to agreements between the Secretary of War or the Secretary of the Navy and the Administrator of Veterans' Affairs: Provided, That no such detail shall be made or extend beyond six months after the termination of the war.*

*SEC. 103. The Administrator of Veterans' Affairs shall have authority to place officials and employees designated by him in such Army and Navy installations as may be deemed advisable for the purpose of adjudicating disability claims of, and giving aid and advice to, members of the Army and Navy who are about to be discharged or released from active service.*

*SEC. 104. No person shall be discharged or released from active duty in the armed forces until his certificate of discharge or release from active duty and final pay, or a substantial portion thereof, are ready for delivery to him or to his next of kin or legal representative; and no person shall be discharged or released from active service on account of disability until and unless he has executed a claim for compensation, pension, or hospitalization, to be filed with the Veterans' Administration or has signed a statement that he has had explained to him the right to file such claim: Provided, That this section shall not preclude immediate transfer to a veterans' facility for necessary hospital care, nor preclude the discharge of any person who refuses to sign such claim or statement: And provided further, That refusal or failure to file a claim shall be without prejudice to any right the veteran may subsequently assert.*

Any person entitled to a prosthetic appliance shall be entitled, in addition, to necessary fitting and training, including institutional training, in the use of such appliance, whether in a Service or a Veterans' Administration hospital, or by out-patient treatment, including such service under contract.

SEC. 105. No person in the armed forces shall be required to sign a statement of any nature relating to the origin, incurrence, or aggravation of any disease or injury he may have, and any such statement against his own interest signed at any time, shall be null and void and of no force and effect.

#### CHAPTER II—AID BY VETERANS' ORGANIZATIONS

SEC. 200. (a) That upon certification to the Secretary of War or Secretary of the Navy by the Administrator of Veterans' Affairs of paid full time accredited representatives of the veterans' organizations specified in section 200 of the Act of June 29, 1936 (Public Law Numbered 844, Seventy-fourth Congress), and other such national organizations recognized by the Administrator of Veterans' Affairs thereunder in the presentation of claims under laws administered by the Veterans' Administration, the Secretary of War and Secretary of the Navy are hereby authorized and directed to permit the functioning, in accordance with regulations prescribed pursuant to subsection (b) of this section, of such accredited representatives in military or naval installations on shore from which persons are discharged or released from the active military or naval service: Provided, That nothing in this section shall operate to affect measures of military security now in effect or which may hereafter be placed in effect, nor to prejudice the right of the American Red Cross to recognition under existing statutes.

(b) The necessary regulations shall be promulgated by the Secretary of War and the Secretary of the Navy jointly with the Administrator of Veterans' Affairs to accomplish the purpose of this section, and in the preparation of such regulations the national officer of each of such veterans' organizations who is responsible for claims and rehabilitation activities shall be consulted. The commanding officer of each such military or naval installation shall cooperate fully with such authorized representatives in the providing of available space and equipment for such representatives.

#### CHAPTER III—REVIEWING AUTHORITY

SEC. 300. The discharge or dismissal by reason of the sentence of a general court martial of any person from the military or naval forces, or the discharge of any such person on the ground that he was a conscientious objector who refused to perform military duty or refused to wear the uniform or otherwise to comply with lawful orders of competent military authority, or as a deserter, or of an officer by the acceptance of his resignation for the good of the service, shall bar all rights of such person, based upon the period of service from which he is so discharged or dismissed, under any laws administered by the Veterans' Administration: Provided, That in the case of any such person, if it be established to the satisfaction of the Administrator that at the time of the commission of the offense such person was insane, he shall not be precluded from benefits to which he is otherwise entitled under the laws administered by the Veterans' Administration: And provided further, That this section shall

not apply to any war risk, Government (converted) or national service life-insurance policy.

SEC. 301. The Secretary of War and the Secretary of the Navy, after conference with the Administrator of Veterans' Affairs, are authorized and directed to establish in the War and Navy Departments, respectively, boards of review composed of five members each, whose duties shall be to review, on their own motion or upon the request of a former officer or enlisted man or woman or, if deceased, by the surviving spouse, next of kin, or legal representative, the type and nature of his discharge or dismissal, except a discharge or dismissal by reason of the sentence of a general court martial. Such review shall be based upon all available records of the service department relating to the person requesting such review, and such other evidence as may be presented by such person. Witnesses shall be permitted to present testimony either in person or by affidavit and the person requesting review shall be allowed to appear before such board in person or by counsel: Provided, That the term "counsel" as used in this section shall be construed to include, among others, accredited representatives of veterans' organizations recognized by the Veterans' Administration under section 200 of the Act of June 29, 1936 (Public Law Numbered 844, Seventy-fourth Congress). Such board shall have authority, except in the case of a discharge or dismissal by reason of the sentence of a general court martial, to change, correct, or modify any discharge or dismissal, and to issue a new discharge in accord with the facts presented to the board. The Articles of War and the Articles for the Government of the Navy are hereby amended to authorize the Secretary of War and the Secretary of the Navy to establish such boards of review, the findings thereof to be final subject only to review by the Secretary of War or the Secretary of the Navy, respectively: Provided, That no request for review by such board of a discharge or dismissal under the provisions of this section shall be valid unless filed within fifteen years after such discharge or dismissal or within fifteen years after the effective date of this Act whichever be the later.

SEC. 302. (a) The Secretary of War, the Secretary of the Navy, and the Secretary of the Treasury are authorized and directed to establish, from time to time, boards of review composed of five commissioned officers, two of whom shall be selected from the Medical Corps of the Army or Navy, or from the Public Health Service, as the case may be. It shall be the duty of any such board to review, at the request of any officer retired or released to inactive service, without pay, for physical disability pursuant to the decision of a retiring board, the findings and decision of such retiring board. Such review shall be based upon all available service records relating to the officer requesting such review, and such other evidence as may be presented by such officer. Witnesses shall be permitted to present testimony either in person or by affidavit and the officer requesting review shall be allowed to appear before such board of review in person or by counsel. In carrying out its duties under this section such board of review shall have the same powers as exercised by, or vested in, the retiring board whose findings and decision are being reviewed. The proceedings and decision of each such board of review affirming or reversing the decision of the retiring board shall be transmitted to the Secretary of War, the Secretary of the Navy, or the Secretary of the Treasury, as the case may be, and shall be laid by him before the President for his approval or disapproval and orders in the case.

(b) No request for review under this section shall be valid unless filed within fifteen years after the date of retirement for disability or after the effective date of this Act, whichever is the later.

(c) As used in this section—

(1) the term "officer" means any officer subject to the laws granting retirement for active service in the Army, Navy, Marine Corps, or Coast Guard, or any of their respective components;

(2) the term "counsel" shall have the same meaning as when used in section 301 of this Act.

## TITLE II

### CHAPTER IV—EDUCATION OF VETERANS

SEC. 400. (a) Subsection (f) of section 1, title I, Public Law Numbered 2, Seventy-third Congress, added by the Act of March 24, 1943 (Public Law Numbered 16, Seventy-eighth Congress), is hereby amended to read as follows:

"(f) Any person who served in the active military or naval forces on or after September 16, 1940, and prior to the termination of hostilities in the present war, shall be entitled to vocational rehabilitation subject to the provisions and limitations of Veterans Regulation Numbered 1 (a), as amended, part VII, or to education or training subject to the provisions and limitations of part VIII."

(b) Veterans Regulation Numbered 1 (a) is hereby amended by adding a new part VIII as follows:

#### "PART VIII

"1. Any person who served in the active military or naval service on or after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released therefrom under conditions other than dishonorable, and whose education or training was impeded, delayed, interrupted, or interfered with by reason of his entrance into the service, or who desires a refresher or retraining course, and who either shall have served ninety days or more, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, or shall have been discharged or released from active service by reason of an actual service-incurred injury or disability, shall be eligible for and entitled to receive education or training under this part: Provided, That such course shall be initiated not later than two years after either the date of his discharge or the termination of the present war, whichever is the later: Provided further, That no such education or training shall be afforded beyond seven years after the termination of the present war: And provided further, That any such person who was not over 25 years of age at the time he entered the service shall be deemed to have had his education or training impeded, delayed, interrupted, or interfered with.

"2. Any such eligible person shall be entitled to education or training, or a refresher or retraining course, at an approved educational or training institution, for a period of one year (or the equivalent thereof in continuous part-time study), or for such lesser time as may be required for the course

of instruction chosen by him. Upon satisfactory completion of such course of education or training, according to the regularly prescribed standards and practices of the institutions, except a refresher or retraining course, such person shall be entitled to an additional period or periods of education or training, not to exceed the time such person was in the active service on or after September 16, 1940, and before the termination of the war, exclusive of any period he was assigned for a course of education or training under the Army specialized training program or the Navy college training program, which course was a continuation of his civilian course and was pursued to completion, or as a cadet or midshipman at one of the service academies, but in no event shall the total period of education or training exceed four years: Provided, That his work continues to be satisfactory throughout the period, according to the regularly prescribed standards and practices of the institution: Provided, however, That wherever the additional period of instruction ends during a quarter or semester and after a major part of such quarter or semester has expired, such period of instruction shall be extended to the termination of such unexpired quarter or semester.

"3. Such person shall be eligible for and entitled to such course of education or training as he may elect, and at any approved educational or training institution at which he chooses to enroll, whether or not located in the State in which he resides, which will accept or retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue: Provided, That, for reasons satisfactory to the Administrator, he may change a course of instruction: And provided further, That any such course of education or training may be discontinued at any time, if it is found by the Administrator that, according to the regularly prescribed standards and practices of the institution, the conduct or progress of such person is unsatisfactory.

"4. From time to time the Administrator shall secure from the appropriate agency of each State a list of the educational and training institutions (including industrial establishments), within such jurisdiction, which are qualified and equipped to furnish education or training (including apprenticeship and refresher or retraining training), which institutions, together with such additional ones as may be recognized and approved by the Administrator, shall be deemed qualified and approved to furnish education or training to such persons as shall enroll under this part: Provided, That wherever there are established State apprenticeship agencies expressly charged by State laws to administer apprentice training, whenever possible, the Administrator shall utilize such existing facilities and services in training on the job when such training is of one year's duration or more.

"5. The Administrator shall pay to the educational or training institution, for each person enrolled in full time or part time course of education or training, the customary cost of tuition, and such laboratory, library, health, infirmary, and other similar fees as are customarily charged, and may pay for books, supplies, equipment, and other necessary expenses, exclusive of board, lodging, other living expenses, and travel, as are generally required for the successful pursuit and completion of the course by other students in the institution: Provided, That in no event shall such payments, with respect to any person, exceed \$500 for an ordinary school year: Provided further, That no payments shall be made to institutions, business or other establishments furnishing apprentice training on the job: And provided further, That if any such institution has no established

tuition fee, or if its established tuition fee shall be found by the Administrator to be inadequate compensation to such institution for furnishing such education or training, he is authorized to provide for the payment, with respect to any such person, of such fair and reasonable compensation as will not exceed \$500 for an ordinary school year.

"6. While enrolled in and pursuing a course under this part, such person, upon application to the Administrator, shall be paid a subsistence allowance of \$50 per month, if without a dependent or dependents, or \$75 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding thirty days in a calendar year. Such person attending a course on a part-time basis, and such person receiving compensation for productive labor performed as part of their apprenticeship or other training on the job at institutions, business or other establishments, shall be entitled to receive such lesser sums, if any, as subsistence or dependency allowances, as may be determined by the Administrator: Provided, That any such person eligible under this part, and within the limitations thereof, may pursue such full-time or part-time course or courses as he may elect, without subsistence allowance.

"7. Any such person eligible for the benefits of this part, who is also eligible for the benefit of part VII, may elect which benefit he desires: Provided, That, in the event of such election, subsistence allowance hereunder shall not exceed the amount of additional pension payable for training under said part VII.

"8. No department, agency, or officer of the United States, in carrying out the provisions of this part, shall exercise any supervision or control, whatsoever, over any State educational agency, or State apprenticeship agency, or any educational or training institution: Provided, That nothing in this section shall be deemed to prevent any department, agency, or officer of the United States from exercising any supervision or control which such department, agency, or officer is authorized, by existing provisions of law, to exercise over any Federal educational or training institution, or to prevent the furnishing of education or training under this part in any institution over which supervision or control is exercised by such other department, agency, or officer under authority of existing provisions of law.

"9. The Administrator of Veterans' Affairs is authorized and empowered to administer this title, and, insofar as he deems practicable, shall utilize existing facilities and services of Federal and State departments and agencies on the basis of mutual agreements with them. Consistent with and subject to the provisions and limitations set forth in this title, the Administrator shall, from time to time, prescribe and promulgate such rules and regulations as may be necessary to carry out its purposes and provisions.

"10. The Administrator may arrange for educational and vocational guidance to persons eligible for education and training under this part. At such intervals as he deems necessary, he shall make available information respecting the need for general education and for trained personnel in the various crafts, trades, and professions: Provided, That facilities of other Federal agencies collecting such information shall be utilized to the extent he deems practicable.

"11. As used in this part, the term 'educational or training institutions' shall include all public or private elementary, secondary, and other schools furnishing education for adults, business schools and colleges, scientific and technical institutions, colleges, vocational schools, junior colleges,

teachers colleges, normal schools, professional schools, universities, and other educational institutions, and shall also include business or other establishments providing apprentice or other training on the job, including those under the supervision of an approved college or university or any State department of education, or any State apprenticeship agency or State board of vocational education, or any State apprenticeship council or the Federal Apprentice Training Service established in accordance with Public, Numbered 308, Seventy-fifth Congress, or any agency in the executive branch of the Federal Government authorized under other laws to supervise such training."

SEC. 401. Section 3, Public Law Numbered 16, Seventy-eighth Congress, is hereby amended to read as follows:

"SEC. 3. The appropriation for the Veterans' Administration, 'Salaries and expenses, medical and hospital, and compensation and pensions', shall be available for necessary expenses under part VII, as amended, or part VIII of Veterans Regulation Numbered 1 (a), and there is hereby authorized to be appropriated such additional amount or amounts as may be necessary to accomplish the purposes thereof. Such expenses may include, subject to regulations issued by the Administrator and in addition to medical care, treatment, hospitalization, and prosthesis, otherwise authorized, such care, treatment, and supplies as may be necessary to accomplish the purposes of part VII, as amended, or part VIII of Veterans Regulation Numbered 1 (a)."

SEC. 402. Public Law Numbered 16, Seventy-eighth Congress, is hereby amended by adding thereto a new section 4 to read as follows:

"SEC. 4. Any books, supplies, or equipment furnished a trainee or student under part VII or part VIII of Veterans Regulation Numbered 1 (a) shall be deemed released to him: Provided, That if he fail, because of fault on his part to complete the course of training or education afforded thereunder, he may be required, in the discretion of the Administrator, to return any or all of such books, supplies, or equipment not actually expended or to repay the reasonable value thereof."

SEC. 403. Paragraph 1, part VII, Veterans Regulation Numbered 1 (a) (Public Law Numbered 16, Seventy-eighth Congress), is hereby amended by inserting after the word "time" the words "on or" and deleting the date "December 6, 1941" and substituting therefor the date "September 16, 1940".

### TITLE III—LOANS FOR THE PURCHASE OR CONSTRUCTION OF HOMES, FARMS, AND BUSINESS PROPERTY

#### CHAPTER V—GENERAL PROVISIONS FOR LOANS

SEC. 500. (a) Any person who shall have served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to the termination of the present war and who shall have been discharged or released therefrom under conditions other than dishonorable after active service of ninety days or more, or by reason of an injury or disability incurred in service in line of duty, shall be eligible for the benefits of this title. Any such veteran may apply within two years after separation from the military or naval forces, or two years after termination of the war, whichever is the later date, but in no event more than five years after the termination of the war, to the Administrator of Veterans' Affairs for the guaranty by the Administrator of not to

exceed 50 per centum of a loan or loans for any of the purposes specified in sections 501, 502 and 503: Provided, That the aggregate amount guaranteed shall not exceed \$2,000. If the Administrator finds that the veteran is eligible for the benefits of this title and that the loan applied for appears practicable, the Administrator shall guarantee the payment of the part thereof as set forth in this title.

(b) Interest for the first year on that part of the loan guaranteed by the Administrator shall be paid by the Administrator out of available appropriations. No security for the guaranty of a loan shall be required except the right to be subrogated to the lien rights of the holder of the obligation which is guaranteed: Provided, That pursuant to regulations to be issued by the Administrator the mortgagor and mortgagee shall agree that before beginning foreclosure proceedings for default in payment of principal or interest due, the Administrator shall have at least thirty days' notice with the option of bidding in the property on foreclosure or of refinancing the loan with any other agency or by any other means available.

(c) Loans guaranteed by the Administrator under this title shall be payable under such terms and conditions as may be approved by the Administrator: Provided, That the liability under the guaranty, within the limitations of this title, shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the obligation: Provided further, That loans guaranteed by the Administrator shall bear interest at a rate not exceeding 4 per centum per annum and shall be payable in full in not more than twenty years. The Administrator is authorized and directed to guarantee loans to veterans subject to the provisions of this title on approved applications made to persons, firms, associations, and corporations and to governmental agencies and corporations, either State or Federal.

#### PURCHASE OR CONSTRUCTION OF HOMES

SEC. 501. (a) Any application made by a veteran under this title for the guaranty of a loan to be used in purchasing residential property or in constructing a dwelling on unimproved property owned by him to be occupied as his home may be approved by the Administrator of Veterans' Affairs if he finds—

(1) that the proceeds of such loans will be used for payment for such property to be purchased or constructed by the veteran;

(2) that the contemplated terms of payment required in any mortgage to be given in part payment of the purchase price or the construction cost bear a proper relation to the veteran's present and anticipated income and expenses; and that the nature and condition of the property is such as to be suitable for dwelling purposes; and

(3) that the purchase price paid or to be paid by the veteran for such property or the construction cost, including the value of the unimproved lot, does not exceed the reasonable normal value thereof as determined by proper appraisal.

(b) Any application for the guaranty of a loan under this section for the purpose of making repairs, alterations, or improvements in, or paying delinquent indebtedness, taxes, or special assessments on, residential property owned by the veteran and used by him as his home, may be approved by the Administrator if he finds that the proceeds of such loan will be used for such purpose or purposes.

(c) *No first mortgage shall be ineligible for insurance under the National Housing Act, as amended, by reason of any loan guaranteed under this title, or by reason of any secondary lien upon the property involved securing such loan.*

#### PURCHASE OF FARMS AND FARM EQUIPMENT

*SEC. 502. Any application made under this title for the guaranty of a loan to be used in purchasing any land, buildings, livestock, equipment, machinery, or implements, or in repairing, altering, or improving any buildings or equipment, to be used in farming operations conducted by the applicant, may be approved by the Administrator of Veterans' Affairs if he finds—*

(1) *that the proceeds of such loan will be used in payment for real or personal property purchased or to be purchased by the veteran, or for repairing, altering, or improving any buildings or equipment, to be used in bona fide farming operations conducted by him;*

(2) *that such property will be useful in and reasonably necessary for efficiently conducting such operations;*

(3) *that the ability and experience of the veteran, and the nature of the proposed farming operations to be conducted by him, are such that there is a reasonable likelihood that such operations will be successful; and*

(4) *that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable normal value thereof as determined by proper appraisal.*

#### PURCHASE OF BUSINESS PROPERTY

*SEC. 503. Any application made under this title for the guaranty of a loan to be used in purchasing any business, land, buildings, supplies, equipment, machinery, or tools, to be used by the applicant in pursuing a gainful occupation (other than farming) may be approved by the Administrator of Veterans' Affairs if he finds—*

(1) *that the proceeds of such loan will be used for payment for real or personal property purchased or to be purchased by the veteran and used by him in the bona fide pursuit of such gainful occupation;*

(2) *that such property will be useful in and reasonably necessary for the efficient and successful pursuit of such occupation;*

(3) *that the ability and experience of the veteran, and the conditions under which he proposes to pursue such occupation, are such that there is a reasonable likelihood that he will be successful in the pursuit of such occupation; and*

(4) *that the purchase price paid or to be paid by the veteran for such property does not exceed the reasonable normal value thereof as determined by proper appraisal.*

*SEC. 504. The Administrator of Veterans' Affairs is authorized to promulgate such rules and regulations as are deemed necessary and appropriate for carrying out the provisions of this title, and may delegate to a subordinate employee authority to approve loans subject to the provisions of this title and the rules promulgated thereunder.*

*SEC. 505. (a) The Administrator shall designate such agency or agencies, if any, as he finds equipped to determine whether the guaranty*

of loan should be approved under this title. In any case wherein a principal loan, for any of the purposes stated in section 501, 502, or 503, is approved by a Federal agency to be made or guaranteed or insured by it pursuant to applicable law and regulations, and the veteran is in need of a second loan to cover the remainder of the purchase price or cost, or a part thereof, the Administrator, subject otherwise to the provisions of this title, including the limitation of \$2,000 on the total amount which may be guaranteed, may guarantee the full amount of the second loan: Provided, That such second loan shall not exceed 20 per centum of the purchase price or cost and that the rate of interest thereon shall not exceed that on the principal loan by more than 1 per centum: And provided further, That regulations to be promulgated jointly by the Administrator and the head of such agency may provide for servicing of both loans by such agency and for refinancing of the principal loan to include any unpaid portion of the secondary loan with accrued interest, if any, after the curtailment thereon equals twice the amount of the secondary loan.

(b) Any person who is found by the Administrator of Veterans' Affairs to be a veteran eligible for the benefits of this title, as provided in section 500 hereof, and who is found by the Secretary of Agriculture, by reason of his ability and experience, including training as a vocational trainee, to be likely to carry out successfully undertakings required of him under a loan which may be made under the Bankhead-Jones Farm Tenant Act, shall be eligible for the benefits of such Act to the same extent as if he were a farm tenant.

## TITLE IV

### CHAPTER VI—EMPLOYMENT OF VETERANS

SEC. 600. (a) In the enactment of the provisions of this title Congress declares as its intent and purpose that there shall be an effective job counseling and employment placement service for veterans, and that, to this end, policies shall be promulgated and administered, so as to provide for them the maximum of job opportunity in the field of gainful employment. For the purpose there is hereby created to cooperate with and assist the United States Employment Service, as established by the provisions of the Act of June 6, 1933, a Veterans' Placement Service Board, which shall consist of the Administrator of Veterans' Affairs, as Chairman, the Director of the National Selective Service System, and the Administrator of the Federal Security Agency, or whoever may have the responsibility of administering the functions of the United States Employment Service. The Board shall determine all matters of policy relating to the administration of the Veterans' Employment Service of the United States Employment Service.

(b) The Chairman of the Board shall have direct authority and responsibility for carrying out its policies through the veterans' employment representatives in the several States or through persons engaged in activities authorized by subsection (g) of section 8 of the Selective Service Act of 1940 (Public Law 783, Seventy-sixth Congress, approved September 16, 1940, as amended (U. S. C., title 50, sec. 308)). The Chairman may delegate such authority to an executive secretary who shall be appointed by him and who shall thereupon be the Chief of the Veterans' Employment Service of the United States Employment Service.

(c) The public records of the Veterans' Personnel Division, National Selective Service System, and the Veterans' Employment Service of the United States Employment Service shall be available to the Board.

**SEC. 601.** *The United States Employment Service shall assign to each of the States a veterans' employment representative, who shall be a veteran of the wars of the United States separated from active service under honorable conditions, who at the time of appointment shall have been a bona fide resident of the State for at least two years, and who shall be appointed, subject to the approval of the Board, in accordance with the civil-service laws, and whose compensation shall be fixed in accordance with the Classification Act of 1923, as amended. Each such veterans' employment representative shall be attached to the staff of the public employment service in the State to which he has been assigned. He shall be administratively responsible to the Board, through its executive secretary, for the execution of the Board's veterans' placement policies through the public employment service in the State. In cooperation with the public employment service staff in the State, he shall—*

(a) *be functionally responsible for the supervision of the registration of veterans in local employment offices for suitable types of employment and for placement of veterans in employment;*

(b) *assist in securing and maintaining current information as to the various types of available employment in public works and private industry or business;*

(c) *promote the interest of employers in employing veterans;*

(d) *maintain regular contact with employers and veterans' organizations with a view of keeping employers advised of veterans available for employment and veterans advised of opportunities for employment; and*

(e) *assist in every possible way in improving working conditions and the advancement of employment of veterans.*

**SEC. 602.** *Where deemed necessary by the Board, there shall be assigned by the administrative head of the employment service in the State one or more employees, preferably veterans, of the staffs of local employment service offices, whose services shall be primarily devoted to discharging the duties prescribed for the veterans' employment representative.*

**SEC. 603.** *All Federal agencies shall furnish the Board such records, statistics, or information as may be deemed necessary or appropriate in administering the provisions of this title, and shall otherwise cooperate with the Board in providing continuous employment opportunities for veterans.*

**SEC. 604.** *The Federal agency administering the United States Employment Service shall maintain that service as an operating entity and, during the period of its administration, shall effectuate the provisions of this title.*

**SEC. 605.** (a) *The Board through its executive secretary shall estimate the funds necessary for the proper and efficient administration of this title; such estimated sums shall include the annual amounts necessary for salaries, rents, printing and binding, travel, and communications. Sums thus estimated shall be included as a special item in the annual budget of the United States Employment Service. Any funds appropriated pursuant to this special item as contained in the budget of the United States Employment Service shall not be available for any purpose other than that for which they were appropriated, except with the approval of the Board.*

(b) *The War Manpower Commission shall from its current appropriation allocate and make available sufficient funds to carry out the provisions of this title during the current fiscal year.*

**SEC. 606.** The term "United States Employment Service" as used in this title means that Bureau created by the provisions of the Act of June 6, 1953, or such successor agencies as from time to time shall perform its functions and duties, as now performed by the War Manpower Commission.

**SEC. 607.** The term "veteran" as used in this title shall mean a person who served in the active service of the armed forces during a period of war in which the United States has been, or is, engaged, and who has been discharged or released therefrom under conditions other than dishonorable.

## TITLE V

### CHAPTER VII—READJUSTMENT ALLOWANCES FOR FORMER MEMBERS OF THE ARMED FORCES WHO ARE UNEMPLOYED

**SEC. 700.** (a) Any person who shall have served in the active military or naval service of the United States at any time after September 16, 1940, and prior to the termination of the present war, and who shall have been discharged or released from active service under conditions other than dishonorable, after active service of ninety days or more, or by reason of an injury or disability incurred in service in line of duty, shall be entitled, in accordance with the provisions of this title and regulations issued by the Administrator of Veterans' Affairs pursuant thereto, to receive a readjustment allowance as provided herein for each week of unemployment, not to exceed a total of fifty-two weeks, which (1) begins after the first Sunday of the third calendar month after the date of enactment hereof, and (2) occurs not later than two years after discharge or release or the termination of the war, whichever is the later date: Provided; That no such allowance shall be paid for any period for which he receives increased pension under part VII of Veterans Regulation 1 (a) or a subsistence allowance under part VIII of such regulation: Provided further, That no readjustment allowance shall be payable for any week commencing more than five years after the termination of hostilities in the present war.

(b) Such person shall be deemed eligible to receive an allowance for any week of unemployment if claim is made for such allowance and the Administrator finds with respect to such week that—

(1) the person is residing in the United States at the time of such claim;

(2) the person is completely unemployed, having performed no service and received no wages, or is partially unemployed in that services have been performed for less than a full workweek and the wages for the week are less than the allowance under this title plus \$3;

(3) the person is registered with and continues to report to a public employment office, in accordance with its regulations;

(4) the person is able to work and available for suitable work: Provided, That no claimant shall be considered ineligible in any period of continuous unemployment for failure to comply with the provisions of this subparagraph if such failure is due to an illness or disability which occurs after the commencement of such period.

## CHAPTER VIII—DISQUALIFICATIONS

**SEC. 800.** (a) Notwithstanding the provisions of section 700, a claimant shall be disqualified from receiving an allowance if—

(1) he leaves suitable work voluntarily, without good cause, or is suspended or discharged for misconduct in the course of employment;

(2) he, without good cause, fails to apply for suitable work to which he has been referred by a public employment office, or to accept suitable work when offered him; or

(3) he, without good cause, does not attend an available free training course as required by regulations issued pursuant to the provisions of this title.

(b) Notwithstanding the provisions of section 700, a claimant shall also be disqualified from receiving an allowance for any week with respect to which it is found that his unemployment is due to a stoppage of work which exists because of a labor dispute at the factory, establishment, or other premises at which he is or was last employed: Provided, That this subsection shall not apply if it is shown that—

(1) he is not participating in or directly interested in the labor dispute which causes the stoppage of work; and

(2) he does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage there were members employed at the premises at which the stoppage occurs, any of whom are participating in or directly interested in the dispute: Provided, however, That if in any case separate branches of work which are commonly conducted as separate business in separate premises, are conducted in separate departments of the same premises, each such department shall, for the purposes of this subsection, be deemed to be a separate factory, establishment, or other premises.

(c) (1) If a claimant is disqualified under the provisions of subsection (a) of this section, he shall be disqualified to receive any readjustment allowance for the week in which the cause of his disqualification occurred and for not more than four immediately following weeks.

(2) In addition to the disqualification prescribed in paragraph (1) above, the Administrator may, in cases of successive disqualifications under the provisions of subsection (a) of this section, extend the period of disqualification for such additional period as the Administrator may prescribe, but not to exceed eight additional weeks in the case of any one disqualification.

(d) (1) In determining under subsection (a) of this section the suitability of work or the existence of good cause with respect to a claimant, the conditions and standards prescribed by the unemployment compensation laws of the State in which he files his claim shall govern: Provided, That the Administrator may prescribe conditions and standards for applicants in any State having no applicable statute.

(2) In determining under subsection (a) of this section the suitability of work, no work shall be deemed suitable for an individual if—

(A) the position offered is vacant due directly to a strike, lock-out, or other labor dispute; or

(B) the wages, hours, or other conditions of the work offered are substantially less favorable to him than those prevailing for similar work in the locality.

## CHAPTER IX—AMOUNT OF ALLOWANCE AND PAYMENT

SEC. 900. (a) The allowance for a week shall be \$20 less that part of the wages payable to him for such week which is in excess of \$3: Provided, That where the allowance is not a multiple of \$1, it shall be computed to the next highest multiple of \$1.

(b) The number of weeks of allowances to which each eligible veteran shall be entitled shall be determined as follows: For each calendar month or major fraction thereof of active service during the period stated in section 700 the veteran shall be entitled to four weeks of allowances, but in no event to exceed the maximum provided in section 700: Provided, That the allowance for the qualifying ninety days service shall be eight weeks for each such month.

SEC. 901. (a) Readjustment allowances shall be paid at the intervals prescribed by the unemployment compensation law of the State in which the claim was made: Provided, That if none are so prescribed readjustment allowances shall be paid at such reasonable intervals as may be determined by the Administrator.

(b) Any allowances remaining unpaid upon the death of a claimant shall not be considered a part of the assets of the estate of the claimant, or liable for the payment of his debts, or subject to any administration of his estate, and the Administrator may make payment thereof to such person or persons he finds most equitably entitled thereto.

SEC. 902 (a) Any person qualified under subsection (a) of section 700, and residing in the United States who is self-employed for profit in an independent establishment, trade, business, profession, or other vocation shall be eligible for readjustment allowances under this title within the time periods applicable, and not in excess of the total amount provided in this title.

(b) Upon application by the veteran showing, in accordance with rules prescribed by the Administrator, that he has been fully engaged in such self-employment and that his net earnings in a trade, business, profession, or vocation, have been less than \$100 in the previous calendar month, the veteran shall be entitled to receive, subject to the limitations of this title as to time and amount, the difference (adjusted to the next highest multiple of \$1), between \$100 and his net earnings for such month.

(c) Payment of such allowance shall be made by the Administrator to each eligible veteran at the time and in the manner other payments are made directly to veterans by the Administrator.

(d) Subsection (b) of section 700 and section 800 shall not apply in determining the eligibility for allowances of a claimant under this section.

## CHAPTER X—ADJUSTMENT OF DUPLICATE BENEFITS

SEC. 1000. Where an allowance is payable to a claimant under this title and where, for the same period, either an allowance or benefit is received under any Federal or State unemployment or disability compensation law, the amount received or accrued from such other source shall be subtracted from the allowance payable under this title (except that this section shall not apply to pension, compensation, or retired pay paid by the Veterans' Administration); and the resulting allowances, if not a multiple of \$1, shall be readjusted to the next higher multiple of \$1.

## CHAPTER XI—ADMINISTRATION

*SEC. 1100. (a) The Administrator of Veterans' Affairs is authorized to administer this title and shall, insofar as possible, utilize existing facilities and services of Federal and State departments or agencies on the basis of mutual agreements with such departments or agencies. Such agreements shall provide for the filing of claims for readjustment allowances with the Administrator through established public employment offices and State unemployment-compensation agencies. Such agencies, through agreement, shall also be utilized in the processing, adjustment, and determination of such claims and the payment of such allowances. To facilitate the carrying out of agreements with State departments or agencies and to assist in the discharge of the Administrator's duties under this title, a representative of the Administrator, who shall be a war veteran separated from active service under honorable conditions and who at the time of appointment shall have been a bona fide resident of the State for at least two years, shall be located in each participating State department or agency.*

*(b) The Administrator, consistent with the provisions of this title, shall prescribe such rules and regulations and require such records and reports as he may find necessary to carry out its purposes: Provided, however, That cooperative rules and regulations relating to the performance by Federal or State departments, or agencies, of functions under agreements made therewith may be made by the Administrator after consultation and advisement with representatives of such departments or agencies.*

*(c) The Administrator may delegate to any officer or employee of his own or of any cooperating department or agency of any State such of his powers and duties, except that of prescribing rules and regulations, as the Administrator may consider necessary and proper to carry out the purposes of this title.*

*(d) Allowances paid by the cooperating State agencies shall be repaid upon certification by the Administrator. The Secretary of the Treasury, through the Division of Disbursement of the Treasury, and without the necessity of audit and settlement by the General Accounting Office, shall pay monthly to the departments, agencies, or individuals designated, the amounts so certified.*

*(e) The Administrator shall from time to time certify to the Secretary of the Treasury for payment in advance or otherwise such sums as he estimates to be necessary to compensate any Federal department or agency for its administrative expenses under this title. Such sums shall cover periods of no longer than six months.*

*(f) The Administrator shall also from time to time certify to the Social Security Board such State departments or agencies as may be participating in the administration of this title, and the amount of the administrative expense incurred or to be incurred by a State under agreements made pursuant to this section. Upon such certification the Social Security Board shall certify such amount to the Secretary of the Treasury, in addition to the amount, if any, payable by said Board under the provisions of section 302 (a) of the Social Security Act, as amended, and the additional amount so certified shall be paid to each State by the Secretary of the Treasury out of the appropriation for the Veterans' Administration.*

*(g) Any money paid to any cooperating agency or person, which is not used for the purpose for which it was paid shall, upon termination of*

the period covered by such payment or the agreement with such agency or person, be returned to the Treasury and credited to the current appropriation for carrying out the purpose of this title, or, if returned after the expiration of period covered by this title, shall be covered into the Treasury as miscellaneous receipts.

SEC. 1101. (a) No person designated by the Administrator as a certifying officer shall, in the absence of gross negligence, or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this title.

(b) No disbursing officer shall, in the absence of gross negligence, or intent to defraud the United States, be liable with respect to any payment by him under this title if it was based upon a voucher signed by a certifying officer designated by the Administrator.

SEC. 1102. Any claimant whose claim for an allowance has been denied shall be entitled to a fair hearing before an impartial tribunal of the State agency or such other agency as may be designated by the Administrator. The representative of the Administrator located in each State shall be the final appellate authority in regard to contested claims arising in such State, subject to review by the Administrator.

SEC. 1103. In the case of any veteran eligible under the provisions of this title who either at the time of application for the benefits herein provided is a "qualified employee" as defined in section 3 of the Railroad Unemployment Insurance Act, as amended, or was last employed prior to such application by an employer as defined in section 1 (a) of the said Act, claim may be made through an office operated by or a facility designated as a free employment office by the Railroad Retirement Board pursuant to the provisions of said Act. In such cases, the conditions and standards as to suitability of work or existence of good cause, the intervals for making claim for and payment of benefits, and the administrative and appellate procedures prescribed by or under said Act shall govern, if not in conflict with the provisions of this title, the appellate procedures being subject to final appeal to the Administrator. In such cases, a reference in this title to a cooperating State agency shall be deemed to include the Railroad Retirement Board.

## CHAPTER XII—DECISIONS AND PROCEDURES

SEC. 1200. The authority to issue subpoenas and provisions for invoking aid of the courts of the United States in case of disobedience thereto, to make investigations, and to administer oaths, as contained in title III of the Act of June 29, 1936 (49 Stat. 2033-34; U. S. C., title 38, secs. 131-133), shall be applicable in the administration of this title.

## CHAPTER XIII—PENALTIES

SEC. 1300. Any claimant who knowingly accepts an allowance to which he is not entitled shall be ineligible to receive any further allowance under this title.

SEC. 1301. (a) Whoever, for the purpose of causing an increase in any allowance authorized under this title, or for the purpose of causing any allowance to be paid where none is authorized under this title, shall make or cause to be made any false statement or representation as to any wages paid or received, or whoever makes or causes to be made any false statement of a material fact in any claim for any allowance under this

title, or whoever makes or causes to be made any false statement, representation, affidavit, or document in connection with such claim, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

(b) Whoever shall obtain or receive any money, check, or allowance under this title, without being entitled thereto and with intent to defraud the United States, shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both.

#### CHAPTER XIV—DEFINITIONS

SEC. 1400. As used in this title—

(a) The term "week" means such period or periods of seven consecutive calendar days as may be prescribed in regulations by the Administrator.

(b) The term "wages" means all remuneration for services from whatever sources, including commissions and bonuses and the cash value of all remuneration in any medium other than cash.

### TITLE VI

#### CHAPTER XV—GENERAL ADMINISTRATIVE AND PENAL PROVISIONS

SEC. 1500. Except as otherwise provided in this Act, the administrative, definitive, and penal provisions under Public, Numbered 2, Seventy-third Congress, as amended, and the provisions of Public, Numbered 262, Seventy-fourth Congress, as amended (38 U. S. C. 450, 451, 454a and 556a), shall be for application under this Act. For the purpose of carrying out any of the provisions of Public, Numbered 2, as amended, and this Act, the Administrator shall have authority to accept uncompensated services, and to enter into contracts or agreements with private or public agencies, or persons, for necessary services, including personal services, as he may deem practicable.

SEC. 1501. Except as otherwise specified, the appropriations for the Veterans' Administration are hereby made available for expenditures necessary to carry out the provisions of this Act and there is hereby authorized to be appropriated such additional amounts as may be necessary to accomplish the purposes of this Act.

SEC. 1502. Wherever used in this Act, unless the context otherwise requires, the singular includes the plural; the masculine includes the feminine; the term "Administrator" means the Administrator of Veterans' Affairs; the term "United States" used geographically means the several States, Territories and possessions, and the District of Columbia; the term "State" means the several States, Territories and possessions, and the District of Columbia; and the phrases "termination of hostilities in the present war", "termination of the present war", and "termination of the war", mean termination of the war as declared by Presidential proclamation or concurrent resolution of the Congress.

SEC. 1503. A discharge or release from active service under conditions other than dishonorable shall be a prerequisite to entitlement to veterans' benefits provided by this Act or Public Law Numbered 2, Seventy-third Congress, as amended.

SEC. 1504. The Administrator shall transmit to the Congress annually a report of operations under this Act. If the Senate or the House of Representatives is not in session, such reports shall be transmitted to the

*Secretary of the Senate or the Clerk of the House of Representatives, as the case may be.*

*SEC. 1505. In the event there shall hereafter be authorized any allowance in the nature of adjusted compensation, any benefits received by, or paid for, any veteran under this Act shall be charged against and deducted from such adjusted compensation; and in the event a veteran has obtained a loan under the terms of this Act, the agency disbursing such adjusted compensation shall first pay the unpaid balance and accrued interest due on such loan to the holder of the evidence of such indebtedness to the extent that the amount of adjusted compensation which may be payable will permit.*

And the House agree to the same.

BENNETT CHAMP CLARK,  
 WALTER F. GEORGE,  
 DAVID I. WALSH,  
 SCOTT W. LUCAS,  
 ROBERT M. LA FOLLETTE, JR.,  
 JOHN A. DANAHER,  
 E. D. MILLIKIN,  
*Managers on the part of the Senate.*

J. E. RANKIN,  
 J. HARDIN PETERSON,  
 A. LEONARD ALLEN,  
 JOHN S. GIBSON,  
 EDITH NOURSE ROGERS,  
 PAUL CUNNINGHAM,  
 B. W. KEARNEY,  
*Managers on the part of the House.*

## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1767) to provide Federal Government aid for the readjustment in civilian life of returning World War II veterans, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment, and that the House agree to the same.

The substantial differences between the House amendment and the proposed conference substitute are noted in the following statement.

### TITLE I

The Senate bill authorized to be appropriated the sum of \$500,000,000 for the construction of additional hospital facilities. The House amendment authorized the appropriation from time to time of such sums as may be necessary for this purpose. The conference agreement adopts the Senate provision.

In section 301, which provided for boards of review to review the type and nature of discharges, the House inserted a proviso establishing a statute of limitations of 10 years after discharge or dismissal or after the effective date of the act, whichever is the later. The conference agreement fixes this limitation at 15 years. The conference agreement also includes an additional section 302, authorizing under similar conditions and limitations the establishment of boards of review in cases of retirement of officers without pay because of physical disability.

### TITLE II

The essential provisions of title II, dealing with the education or training of veterans, as passed by both Houses were very similar. Whereas the Senate bill provided for a Director of Servicemen's Education and Training in the Veterans' Administration, and authorized the establishment of an advisory council to aid and advise the Administrator in the execution of his duties under the educational provisions, and also provided for the creation of State boards, the House bill permits all of these functions to be carried out by the present administration machinery and also permits utilization of other Federal and State agencies. In this respect the conference agreement retains the House administrative machinery. There were some changes in the House bill in other respects which consist principally in the adoption of some of the criteria and definitions contained in the Senate bill. The more important of these changes are discussed below.

Under the House bill (par. 1) there was excluded from the qualifying period any period during which the person in service was assigned for education and training under the Army specialized-training program or the Navy college-training program. The conference agreement restricts this to courses which were a continuation of the person's civilian education and which were completed. A similar qualification was placed upon the extended eligibility for additional training and education.

The conference agreement also extended the presumption of interference with education or training to those who at time of entrance into service were not over 25 years of age, which in the House bill was 24 years of age.

The conference agreement includes a provision which was in the Senate bill but not in the House bill, relating to the utilization of State apprenticeship agencies.

Both the Senate bill and the House amendment contained provisions for the determination and payment of educational fees or expenses where those regularly established, if any, were not sufficient. In the Senate bill this authority applied only in the case of publicly supported institutions. In the House amendment this was extended to tax-free private institutions. The conference agreement extends it to any institution and, in place of an actual cost basis as stated in the House bill, adopts the "fair and reasonable compensation" provision in the Senate bill. Both bills contained a \$500 limitation, which is retained in the conference agreement. In the agreement this applies to the ordinary school year without a qualification as to the number of weeks as contained in the House version.

In paragraph 8, in place of the proviso relating to Indian schools found in the House amendment, the conference agreement substituted a proviso (somewhat similar to a more general provision in the Senate bill) to the effect that nothing in the paragraph shall be deemed to prevent any department, agency, or officer of the United States from exercising any supervision or control which such department, agency, or officer is authorized by existing provisions of law to exercise over any Federal education or training institution nor to make any institution ineligible to supply education or training under this title by reason of supervision or control under authority of existing provisions of law.

The conference agreement adds paragraph 9, authorizing the Administrator as far as he deems practicable to utilize existing facilities and services of Federal and State departments and agencies on the basis of mutual agreements with them and includes the power to prescribe and promulgate rules and regulations consistent with the terms of the title and necessary to carry out its purposes and provisions.

The conference agreement added in paragraph 10 a provision similar to one contained in the Senate bill, authorizing the Administrator to arrange for vocational guidance and to make available information respecting the need for general education and for trained personnel in the various crafts, trades, and professions.

The conference agreement adopts a paragraph 11, containing the definition of the term "educational or training institutions" in the Senate bill, inserting the word "all" before "public or private" in the definition to make it clear that church and other schools are included. There is included in this definition business or other establishments

providing apprentice or other training on the job. The Senate bill contained a provision that such establishments should not be approved unless they complied with applicable State or Federal laws relating to compensation, health, safety, and other conditions of labor. The conference agreement omits this provision on the assumption that the Veterans' Administration will act in conformity with State and Federal laws.

The conference agreement omits a provision in the House bill which would have required that there be deducted from any allowances to which a person would otherwise have been eligible under title V, relating to unemployment allowances, any benefits received under title II.

#### TITLE III

The Senate bill provided for direct loans, in an aggregate not to exceed \$1,000, for the purposes of the purchase, construction or repair of homes, the purchase of farms, or the repair of buildings or equipment thereon, or the purchase of business properties, including intangibles such as good will, to be used in pursuing a gainful occupation. The House amendment changed this to provide for the guaranteeing of not to exceed 50 percent of a loan or loans for such purposes and permitted the guaranty of loans made by any persons, firms, associations, and corporations, and governmental agencies and corporations, either State or Federal, and provided that in no event should the interest rate exceed 6 percent or the aggregate amount guaranteed for any person exceed \$2,500. The conference agreement retains the principle of the House bill but limits the interest to 4 percent and the aggregate amount to not to exceed \$2,000.

The conference agreement added in section 505 a provision containing the principles of the Senate bill relating to the utilization of Federal agencies making, guaranteeing, or insuring loans and a further provision that in the event of a principal loan so made, guaranteed, or insured by a Federal agency the Veterans' Administration may guarantee 100 percent of a secondary loan not to exceed 20 percent of the cost or purchase price to cover the usually required down payment. There was also added a provision from the Senate bill making a veteran eligible under this title also eligible under the Bankhead-Jones Farm Tenant Act, as amended, to the same extent as if he were a farm tenant.

The conference agreement includes a provision added to paragraph 500 (c) to make clear that the liability under the guaranty will be decreased or increased pro rata with any decrease or increase of the amount of the unpaid portion of the obligation.

The conference agreement includes a provision in section 501 (c) to make clear that a secondary loan under the provisions of this title would not make ineligible for insurance under the National Housing Act a first mortgage loan on the same property.

#### TITLE IV

The Senate bill in title IV provided for the strengthening of the functions of the Veterans' Employment Service in the United States Employment Service by authorizing the creation of a Veterans' Placement Service Board within the United States Employment

Service, which Board would consist of the Administrator of Veterans' Affairs as Chairman and the Director of the National Selective Service System and the Administrator of the Social Security Agency; the members of the Board to be represented by alternates and the Board to have the authority to determine all matters of policy relating to the administration of the Veterans' Employment Service. It provided that the Chairman of the Board, through an executive secretary who is also the Chief of the Veterans' Employment Service, should have direct authority and responsibility for carrying out the policies of the Board through the veterans' employment representatives in the several States. The Senate bill in section 604 contained authority for sanctions penalizing a State (by withholding of funds) for failure to give preference to veterans on job assignments or to cooperate with the Board in carrying out the policies of the Board; and also provided that the Federal agency administering the United States Employment Service should maintain that Service as an operating entity and during the period of its administration should effectuate the provisions of this title. The Senate bill further provided for the appointment of certain veterans' placement representatives in the States to be functionally responsible to the Board for carrying out prescribed policies and activities.

The House amendment provided for the transfer to the Veterans' Administration of all functions relating to the employment of veterans, and included in such transfer, effective the 1st day of the month following the enactment of the act; the duties, powers, and functions of the Veterans' Employment Service; and, effective as of but not later than the date of termination of hostilities in the present war, the duties, powers, and functions vested in the Director of Selective Service by subsection (g) of section 8 of the Selective Service Act of 1940, with the proviso that the President is authorized to effectuate such transfer at an earlier date. The Administrator would be authorized to appoint veterans' placement representatives to function in similar manner as provided in the Senate bill. The House amendment omitted the authority for sanctions provided in section 604 of the Senate bill and restricted to the period pending the return of the employment offices and services to the States the provision pertaining to the Federal agency administering the United States Employment Service maintaining such service as an operating entity. The House amendment also provided for the transfer of the necessary records and appropriations to the Veterans' Administration and, in section 606, provided a definition of the term "veteran" to include veterans of any war, no such definition having been contained in the Senate bill.

The conference agreement adopts the principle of the Senate bill with amendments, the first of which is to eliminate the provision for alternates for members of the Board. In lieu of the provisions discussed above, relating to the authority of the Board (sec. 600 (b)), the conference agreement adopts the following provision:

(b) The Chairman of the Board shall have direct authority and responsibility for carrying out its policies through the veterans' employment representatives in the several States or through persons engaged in activities authorized by subsection (g) of section 8 of the Selective Service Act of 1940 (Public Law 783, seventy-sixth Congress, approved September 16, 1940, as amended (U. S. C., title 50, sec. 308)). The Chairman may delegate such authority to an executive secretary who shall be appointed by him and who shall thereupon be the Chief of the Veterans' Employment Service of the United States Employment Service.

In lieu of the provision in the House amendment that veterans' employment representatives must have resided in the State for a period of at least 6 months prior to appointment, the conference agreement requires that such representatives shall have been at the time of appointment bona fide residents of the State for a period of at least 2 years. The conference agreement added to the duties of the veterans' employment representative that of being responsible for placement of veterans in employment. The conference agreement omits the provisions in the House bill relating to the transfer of personnel and functions to the Veterans' Administration and also with respect to the enforcement of the laws pertaining to veterans' preferences, but includes the provisions of the House amendment defining the term "veteran". The remaining provisions of the conference agreement are substantially those of the Senate bill with the omission of the sanctions contained in section 604 of the Senate bill.

The fundamental differences between the Senate and House bills were that the former would have imposed responsibility upon the Administrator of Veterans' Affairs, as chairman of an advisory board, to carry out the unemployment policies through the Veterans' Placement Service of the United States Employment Service; while the House bill would have given the Administrator the same responsibility but would have transferred to the Veterans' Administration the administrative machinery and the appropriation to accomplish such responsibility. The conference agreement, in the changes adopted in sections 600 (b) and 1500, will permit the Administrator to utilize any Federal or State agency as well as volunteer services in administering the unemployment policies. This will accomplish essentially the same purpose as contemplated by the House bill with the exception that there is no transfer of agencies, machinery, or appropriations and the agreement does not contemplate any extension of the Veterans' Administration or the use of the appropriations for that agency in employment matters.

#### TITLE V

The provisions of the Senate and House bills relating to readjustment allowances for unemployment benefits were essentially similar except as to—

(1) The total period of eligibility. The Senate bill prescribed 52 weeks and the House amendment 26 weeks.

(2) The penalties for successive disqualifications. The essential difference between the Senate bill and the House amendment with respect to this matter was that while the additional disqualifications prescribed do not differ materially in the House amendment the number of weeks' penalty would reduce the total number of weeks of eligibility. The Senate bill did not contain any such provision.

(3) The scale of payments. The Senate bill provided a graduated scale from \$15 to \$25, depending upon the number of dependents, if any, and the House amendment provided a flat \$20 weekly allowance.

(4) Conditions and standards for determining the suitability of work or the existence of good cause for not accepting a position. The Senate bill prescribed definite uniform criteria and the House amendment applied those of the particular State in which the claim is filed.

(5) The question of suitability of work based upon conditions of labor pertaining to joining or refraining from joining a union. The Senate bill had no such provision. The House amendment

contained a provision to the effect that no work should be deemed suitable if as a condition of being employed the person would be required to join or to resign from, or to refrain from joining, any labor union or labor organization.

(6) The total weeks of allowances determinable upon length of service. The Senate bill provided that, within the limitation of 52 weeks' total eligibility, the person's eligibility should depend upon the length of service, allowing for each calendar month or fraction of active service 8 weeks of allowances. The House amendment reduced this to 3 weeks of allowances for each calendar month or major fraction thereof of active service.

(7) The question of allowances for self-employed persons. The Senate bill contained no such provision. The House bill contained a provision for payment of allowances to self-employed persons under certain prescribed conditions.

(8) The question of servicing of claims by the Railroad Retirement Board in lieu of the State agency in the cases of railway employees. The Senate bill contained no such provision. The House amendment provided for such servicing by the Railroad Retirement Board.

(9) The question of reporting changes in status and the penalty for failing to report such changes. The Senate bill contained provisions which were considered necessary with respect to reporting dependency changes. The House amendment omitted this requirement as it did the entire question of dependency benefits.

(10) The question of deductions for amounts for allowances or benefits received from other sources. The Senate bill provided for the deduction of allowances or benefits received under any Federal or State unemployment or disability compensation law, or a Federal or State noncontributory benefit. The House amendment omitted the noncontributory benefit.

(11) The question of offsetting benefits as between titles II and V. The Senate bill contained no such provisions. The House bill contained a provision to the effect that if a veteran receives allowances under title V and subsequently becomes entitled to benefits under title II, the benefits under said title II would be reduced by the allowances received under title V.

The conference agreement—

(1) Adopts 52 weeks as the total period of eligibility as provided in the Senate bill.

(2) Omits the shortening of the total period of eligibility by the penalties imposed for successive disqualifications as contained in the House amendment and restores the Senate language.

(3) Adopts the provision of the House amendment fixing a flat weekly allowance.

(4) Adopts the provisions of the House amendment, applying the conditions and standards of the particular State for determining the suitability of work or existence of good cause, with an amendment authorizing the Administrator to prescribe such conditions and standards when the State law has none.

(5) Omits the House provision relating to suitability of work conditioned upon joining, resigning from, or refraining from joining a labor union or labor organization.

(6) Provides that an eligible veteran shall be entitled to 4 weeks of allowances for each calendar month, or major fraction thereof, of active service during the period specified in section 700 except that

the allowance for the qualifying 90 days' service shall be 8 weeks for each such month.

(7) Adopts the House provision for payment of allowances to self-employed persons.

(8) Adopts the House provision for servicing by the Railroad Retirement Board except that in the provision for application of the provisions of the Railroad Unemployment Insurance Act, such as conditions, standards, and procedures, there has been inserted a provision that this shall apply if not in conflict with the provisions of this title.

(9) Omits the Senate provision for reporting changes in status.

(10) Omits the Senate provision providing for deduction of allowances or benefits received as a Federal or State noncontributory benefit.

(11) Omits the provision in the House amendment providing for deduction from benefits under title II of amounts received as allowances under title V.

#### TITLE VI

The provisions of the Senate bill and the House amendment relating to the general administrative and penal provisions were essentially similar. The House amendment added a reference to Public Law No. 262, Seventy-fourth Congress, relating to the cases of incompetent veterans. The House amendment required a discharge under honorable conditions as a prerequisite to entitlement to benefits under Public Law No. 2, as amended, and this act. The Senate bill required discharge under conditions other than dishonorable. The House bill also included a section providing for deductions of benefits under this act from payments made under any adjusted compensation law that might be enacted in the future.

The conference agreement transferred to title VI several definitions applicable to the several titles of the bill. It added a provision to the effect that, for the purpose of carrying out any of the provisions of Public Law No. 2, as amended, and this act, the Administrator shall have authority to accept uncompensated services and to enter into contracts or agreements with private or public agencies or persons for necessary services, including personal services, as he may deem practicable.

The conference agreement includes the Senate provision requiring discharge under conditions other than dishonorable as a prerequisite for benefits under Public Law No. 2 and this act. This required conforming changes throughout the different titles of the bill.

The conference agreement retains the House provisions respecting deductions of allowances or benefits received under this act from any provided by any future adjusted compensation or similar act.

J. E. RANKIN,  
J. HARDIN PETERSON,  
A. LEONARD ALLEN,  
JOHN S. GIBSON,  
EDITH NOURSE ROGERS,  
PAUL CUNNINGHAM,  
B. W. KEARNEY,

*Managers on the part of the House.*