

AMENDMENTS TO SERVICEMEN'S READJUSTMENT ACT OF 1944

DECEMBER 17, 1945.—Ordered to be printed

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

CONFERENCE REPORT

[To accompany H. R. 3749]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

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

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That the second sentence of section 100 of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows: "The Administrator is authorized, for the purpose of extending benefits to veterans and dependents, and to the extent he deems necessary, to procure the necessary space for administrative, clinical, medical, and out-patient treatment purposes by lease, purchase, or construction of buildings, or by condemnation or declaration of taking, pursuant to existing statutes."*

SEC. 2. Section 104 of the Servicemen's Readjustment Act of 1944, as amended, is amended by striking out the second paragraph thereof and inserting in lieu thereof the following:

"Any veteran entitled to a prosthetic appliance shall be furnished such fitting and training, including institutional training, in the use of such appliance as may be necessary, whether in a Veterans' Administration facility, other training institution, or by out-patient treatment, including such service under contract and including necessary travel expenses to and from their homes to such hospital or training institution.

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"The Administrator may procure any and all items mentioned herein, including necessary services required in the fitting, supplying, and training in use of such items by purchase, manufacture, contract, or in such other manner as the Administrator may determine to be proper without regard to any other provision of law."

SEC. 3. Section 200 of the Servicemen's Readjustment Act of 1944, as amended, is amended by adding at the end thereof the following new subsection:

"(c) The Administrator is further authorized at his discretion and under such regulations as he may prescribe to furnish, if available, necessary space and suitable office facilities for the use of paid full-time representatives of such organizations."

SEC. 4. Section 302 (a) of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:

"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 from active service, without pay, for physical disability pursuant to the decision of a retiring board, board of medical survey, or disposition board, the findings and decisions of such 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 board whose findings and decision are being reviewed. The proceedings and decision of each such board of review affirming or reversing the decision of any such retiring board, board of medical survey, or disposition 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."

SEC. 5. (a) Paragraph 1 of part VIII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as follows:

"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 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 four 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 nine years after the termination of the present war."

(b) Paragraph 2 of part VIII of such Regulation is amended to read as follows:

"2. Any such eligible person shall be entitled to education or training at an approved educational or training institution for a period of one year plus 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 further, That wherever the period of eligibility ends during a quarter or semester and after a major part of such quarter or semester has expired, such period shall be extended to the termination of such unexpired quarter or semester."

(c) Paragraph 3 of part VIII of such Regulation is amended to read as follows:

"3. (a) Such person shall be eligible for and entitled to such course of education or training, full time or the equivalent thereof in part-time 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."

"(b) Any such eligible person may apply for a short, intensive post-graduate, or training course of less than thirty weeks: Provided, That the Administrator shall have the authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: Provided further, That (1) the limitation of paragraph 5 shall not prevent the payment of such agreed rates, but there shall be charged against the veteran's period of eligibility the proportion of an ordinary school year which the cost of the course bears to \$500, and (2) not in excess of \$500 shall be paid for any such course."

"(c) Any such eligible person may apply for a course of instruction by correspondence without any subsistence allowance: Provided, That the Administrator shall have authority to contract with approved institutions for such courses if he finds that the agreed cost of such courses is reasonable and fair: Provided further, (1) That the provisions of paragraph 5 shall not apply to correspondence courses; (2) that one-fourth of the elapsed time in following such course shall be charged against the veteran's period of eligibility; and (3) that the total amount payable for a correspondence course or courses for any veteran shall not exceed \$500: And provided further, That nothing herein shall be construed to preclude the use of approved correspondence courses as a part of institutional or job training, subject to regulations prescribed by the Administrator."

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(d) Paragraph 5 of part VIII of such Regulation is amended to read as follows:

"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 unless the veteran elects to have such customary charges paid in excess of such limitation, in which event there shall be charged against his period of eligibility the proportion of an ordinary school year which such excess bears to \$500: Provided further, That no payments shall be made to institutions, business or other establishments furnishing apprentice training on the job: And provided further, That any institution may apply to the Administrator for an adjustment of tuition and the Administrator, if he finds that the customary tuition charges are insufficient to permit the institution to furnish education or training to eligible veterans, or inadequate compensation therefor, may provide for the payment of such fair and reasonable compensation as will not exceed the estimated cost of teaching personnel and supplies for instruction; and may in like manner readjust such payments from time to time."

(e) Effective on the first day of the first calendar month subsequent to the date of enactment of this Act, the first sentence of paragraph 6 of part VIII of such Regulation is amended to read as follows:

"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 \$65 per month, if without a dependent or dependents, or \$90 per month, if he has a dependent or dependents, including regular holidays and leave not exceeding thirty days in a calendar year."

(f) Paragraph 7 of part VIII of such Regulation is amended to read as follows:

"7. Any such person eligible for the benefits of this part, who is also eligible for the benefit of part VII, may elect either benefit or may be provided an approved combination of such courses: Provided, That the total period of any such combined courses shall not exceed the maximum period or limitations under the part affording the greater period of eligibility."

SEC. 6. Section 4 of Public Law Numbered 16, Seventy-eighth Congress, as added by section 402 of the Servicemen's Readjustment Act of 1944, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "Provided further, That returned books, supplies, or equipment may be turned in to educational or training institutions for credit under such terms as may be approved by the Administrator, or disposed of in such other manner as may be approved by the Administrator."

SEC. 7. (a) The proviso in paragraph 1 of part VII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as follows: "Provided, That no course of training in excess of a period of four years shall be approved except with the approval of the Administrator, nor shall any training under this part be afforded beyond nine years after the termination of the present war."

(b) *Effective on the first day of the first calendar month subsequent to the date of enactment of this Act, paragraph 3 of part VII of Veterans Regulation Numbered 1 (a), as amended, is amended to read as follows:*

"3. While pursuing training prescribed herein, and for two months after his employability is determined, each veteran shall be paid the amount of subsistence allowance specified in paragraph 6 of part VIII of Veterans Regulation Numbered 1 (a), as amended: Provided, That the minimum payment of such allowance, plus any pension or other benefit, shall be, for a person without a dependent, \$105 per month; and for a person with a dependent, \$115, plus the following amounts for additional dependents: (1) \$10 for one child and \$7 additional for each additional child, and (2) \$15 for a dependent parent: Provided further, That the rates set out herein shall not be subject to the increases authorized by Public Law Numbered 312, Seventy-eighth Congress, approved May 27, 1944: And provided further, That when the course of vocational rehabilitation furnished to any person as herein provided consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement in writing showing any wage, compensation, or other income paid by him to such person during the month, directly or indirectly, and based upon such written statements, the Administrator is authorized to reduce the subsistence allowance of such person to an amount considered equitable and just."

SEC. 8. Title III of the Servicemen's Readjustment Act of 1944, as amended, is amended to read as follows:

"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 loan made by such veteran within ten years after the termination of the war for any of the purposes, and in compliance with the provisions, specified in this title, is automatically guaranteed by the Government by this title in an amount not exceeding fifty per centum of the loan: Provided, That the aggregate amount guaranteed shall not exceed \$2,000 in the case of non-real-estate loans, nor \$4,000 in the case of real-estate loans; or a prorated portion thereof on loans of both types or combination thereof.

"(b) Loans guaranteed under this title shall be payable under such terms and conditions as may be agreed upon by the parties thereto, subject to the conditions and limitations of this title and the regulations issued pursuant to section 504: 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 under this title shall bear interest at a rate not exceeding four per centum per annum and shall be payable in full in not more than twenty-five years, or in the case

of loans on farm realty in not more than forty years: And provided further, That (1) the maturity on a non-real-estate loan shall not exceed ten years; (2) any loan for a term in excess of five years shall be amortized in accordance with established procedure; (3) except as provided in section 505 any real-estate loan, other than for repairs, alterations or improvements, shall be secured by a first lien on the realty, and a non-real-estate loan, except as to working or other capital, merchandise, good-will and other intangible assets, shall be secured by personalty to the extent legal and practicable.

"(c) An honorable discharge shall be deemed a certificate of eligibility to apply for a guaranteed loan. Any veteran who does not have a discharge certificate, or who received a discharge other than honorable, may apply to the Administrator for a certificate of eligibility. Upon making a loan as provided herein, the lender shall forthwith transmit to the Administrator a statement setting forth the full name and serial number of the veteran, amount and terms of the loan, and the legal description of the property, together with the appraisal report made by the designated appraiser. Where the loan is automatically guaranteed, the Administrator shall provide the lender with a loan guaranty certificate or other evidence of the guaranty. He shall also endorse on the veteran's discharge, or eligibility certificate, the amount and type of guaranty used, and the amount, if any, remaining. An amount equivalent to four per centum on the amount originally guaranteed shall be paid to the lender by the Administrator out of available appropriations, to be credited upon the loan. Nothing herein shall be deemed to preclude the assignment of any guaranteed loan nor the assignment of the security therefor.

"(d) Loans guaranteed hereunder may be made by any Federal land bank, national bank, State bank, private bank, building and loan association, insurance company, credit union, or mortgage and loan company, that is subject to examination and supervision by an agency of the United States or of any State or Territory, including the District of Columbia. Any loan at least twenty per centum of which is guaranteed under this title may be made by any national bank, or Federal savings and loan association; or by any bank, trust company, building and loan association or insurance company organized or authorized to do business in the District of Columbia; without regard to the limitations and restrictions of any other statute with respect to—

"(1) ratio of amount of loan to the value of the property;

"(2) maturity of loan;

"(3) requirement for mortgage or other security;

"(4) dignity of lien; or

"(5) percentage of assets which may be invested in real estate loans.

"(e) Any loan proposed to be made to an eligible veteran by any lender not of a class specified in subsection (d) may be guaranteed by the Administrator, if he finds that it is in accord otherwise with the provisions of this title, as amended.

"PURCHASE OR CONSTRUCTION OF HOMES

"SEC. 501. Any loan made to a veteran under this title, the proceeds of which are to be used for purchasing residential property or constructing a dwelling to be occupied as his home or for the purpose of making repairs, alterations, or improvements in property owned by him and occupied as

his home, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) That the proceeds of such loan will be used for payment of the property purchased or constructed or improved;

"(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 price paid or to be paid by the veteran for such property or for the cost of construction, repairs, or alterations does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

"PURCHASE OF FARMS AND FARM EQUIPMENT

"SEC. 502. Any loan made to a veteran under this title, the proceeds of which are to be used for purchasing any lands, buildings, livestock, equipment, machinery, supplies or implements, or for repairing, altering, constructing or improving any land, equipment, or building, including the farmhouse, to be used in farming operations conducted by the veteran involving production in excess of his own needs, or for working capital requirements necessary for such operations, or to purchase stock in a cooperative association where the purchase of such stock is required by Federal statute as an incident to obtaining the loan, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) That the proceeds of such loan will be used for any such purposes in connection with bona fide farming operations conducted by the applicant;

"(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 value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

"PURCHASE OF BUSINESS PROPERTY

"SEC. 503. Any loan made to a veteran under this title, the proceeds of which are to be used for the purpose of engaging in business or pursuing a gainful occupation, or for the cost of acquiring for such purpose land, buildings, supplies, equipment, machinery, tools, inventory, stock in trade, or for the cost of the construction, repair, alteration or improvement of any realty or personalty used for such purpose, or to provide the funds needed for working capital, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) That the proceeds of such loan will be used for any of the specified purposes in connection with bona fide pursuit of gainful occupation by the veteran;

"(2) That such property will be useful in and reasonably necessary for the efficient and successful pursuit of such business or occupation;

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

"(4) That the purchase price paid or to be paid by the veteran for such property, or the cost of such construction, alterations, or improvements, does not exceed the reasonable value thereof as determined by proper appraisal made by an appraiser designated by the Administrator.

"REGULATIONS

"SEC. 504. The Administrator is authorized to promulgate such rules and regulations not inconsistent with this title, as amended, as are necessary and appropriate for carrying out the provisions of this title, and may delegate to subordinate employees authority to issue certificates, or other evidence, of guaranty of loans guaranteed under the provisions of this title, and to exercise other administrative functions hereunder.

"SECONDARY LOANS

"SEC. 505. (a) 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, 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 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 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.

"PROCEDURE ON DEFAULT

"SEC. 506. In the event of default in the payment of any loan guaranteed under this title, the holder of the obligation shall notify the Administrator who shall thereupon pay to such holder the guaranty not in excess of the pro rata portion of the amount originally guaranteed, and shall be subrogated to the rights of the holder of the obligation to the extent of the amount paid on the guaranty: Provided, That prior to suit or foreclosure the holder of the obligation shall notify the Administrator of the default, and within thirty days thereafter the Administrator may, at his option, pay the holder of the obligation the unpaid balance of the obligation plus

accrued interest and receive an assignment of the loan and security: Provided further, That (1) nothing herein shall be construed to preclude any forbearance for the benefit of the veteran as may be agreed upon by the parties to the loan and approved by the Administrator; and (2) the Administrator may establish the date, not later than the date of judgment and decree of foreclosure or sale, upon which accrual of interest or charges shall cease.

"LOANS ON DELINQUENT INDEBTEDNESS

"SEC. 507. Any loan made to a veteran, the proceeds of which are to be used to refinance any indebtedness of the veteran which is secured of record on property to be used or occupied by the veteran as a home or for farming purposes, or indebtedness incurred by him in the pursuit of a gainful occupation which he is pursuing or which he proposes in good faith to pursue, or any delinquent taxes or assessments on such property or business, is automatically guaranteed if made pursuant to the provisions of this title, including the following:

"(1) Such loan became in default or the delinquency occurred not later than ten years after the termination of the war;

"(2) Such refinancing will aid the veteran in his economic readjustment; and

"(3) The amount of the guaranteed loan does not exceed the reasonable value of the property or business, as determined by proper appraisal made by an appraiser designated by the Administrator.

"INSURANCE OF LOANS

"SEC. 508. (a) Any loans which might be guaranteed under the provisions of this title, when made or purchased by any financial institution subject to examination and supervision by an agency of the United States or of any State or Territory, including the District of Columbia, may, in lieu of such guaranty, be insured by the Administrator under an agreement whereby he will reimburse any such institution for losses incurred on such loan up to 15 per centum of the aggregate of loans so made or purchased by it.

"(b) Loans insured hereunder shall be made on such other terms, conditions, and restrictions as the Administrator may prescribe within the limitations set forth in this title. The Administrator may fix the maximum rate of interest payable on any class of non-real-estate loans insured hereunder at a figure not in excess of a 3 per centum discount rate or an equivalent straight interest rate on nonamortized loans.

"(c) The Administrator shall pay the same amount on each loan insured hereunder as he would be required to pay under the sixth sentence of section 500 (c) hereof if the loan were guaranteed rather than insured.

"POWERS OF ADMINISTRATOR

"SEC. 509. (a) With respect to matters arising by reason of this title as now or hereafter amended and, notwithstanding the provisions of any other law, the Administrator may—

"(1) Sue and be sued in his official capacity in any court of competent jurisdiction, State or Federal;

"(2) Subject to specific limitations in this Act, consent to the modification, with respect to rate of interest, time of payment of

principal or interest or any portion thereof, security or other provisions of any note, contract, mortgage or other instrument securing a loan which has been guaranteed or insured hereunder;

"(3) Pay, or compromise, any claim on, or arising because of, any such guaranty or insurance;

"(4) Pay, compromise, waive or release any right, title, claim, lien or demand, however acquired, including any equity or any right of redemption;

"(5) Purchase at any sale, public or private, upon such terms and for such prices as he determines to be reasonable, and take title to, property, real, personal or mixed; and similarly sell, at public or private sale, exchange, assign, convey, or otherwise dispose of any such property; and

"(6) Complete, administer, operate, obtain and pay for insurance on, and maintain, renovate, repair, modernize, lease, or otherwise deal with any property acquired or held pursuant to this title: Provided, That the acquisition of any such property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction of, on, or over such property (including power to tax) or impair the rights under the State or local law of any persons on such property.

"(b) The powers by this section granted may be exercised by the Administrator without regard to any other provisions of law not enacted expressly in limitation hereof, which otherwise would govern the expenditure of public funds: Provided, That section 3709 of the Revised Statutes shall apply to any contract for services or supplies on account of any property acquired pursuant to this section if the amount of such contract exceeds \$1,000.

"(c) The financial transactions of the Administrator incident to, or arising out of, the guaranty of loans pursuant to this title, and the acquisition, management, and disposition of property, real, personal or mixed, as incident to such activities and pursuant to this section, shall be final and conclusive upon all officers of the Government.

"EFFECTIVE DATE

"SEC. 510. This title, as amended, shall be effective from the date of enactment: Provided, That any application for guaranty of a loan filed within ninety days after such date may be approved under the title as it existed prior to amendment: And provided further, That nothing herein shall be construed to affect any contractual right under any certificate of guaranty issued thereunder."

SEC. 9. Section 1505 of the Servicemen's Readjustment Act of 1944, as amended, is hereby repealed.

SEC. 10. Title VI of the Servicemen's Readjustment Act of 1944, as amended, is amended by adding at the end thereof the following new sections:

"SEC. 1506. Persons who served in the active military or naval service of any government allied with the United States in World War II and who at time of entrance into such active service were citizens of the United States shall, by virtue of such service, and if otherwise qualified, be entitled to the benefits of titles II, III, IV, and V of this Act or of Public Law 16, Seventy-eighth Congress, in the same manner and to the same extent as persons who served in the active military or naval service of the United States: Provided, That any such benefit shall not be extended

to any person who is not a resident of the United States at time of filing claim or to any person who has applied for and received the same or similar benefit from the government of the nation in whose active military or naval service he served.

"SEC. 1507. Notwithstanding the provisions of section 1503, any person while on terminal leave, or while hospitalized pending final discharge, may be afforded the benefits of titles II and III of this Act, or vocational rehabilitation training under Public Law 16, Seventy-eighth Congress, as amended, subject to all conditions thereof except actual discharge: Provided, That no subsistence allowance shall be paid in such cases under title II of this Act or Public Law 16, Seventy-eighth Congress. This section shall be effective from June 22, 1944."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

J. E. RANKIN,
A. LEONARD ALLEN,
JAMES DOMENGEAUX,
EDITH NOURSE ROGERS,
PAUL CUNNINGHAM,
Managers on the Part of the House.

WALTER F. GEORGE,
TOM CONNALLY,
ED C. JOHNSON,
ROBERT M. LA FOLLETTE, JR.,
E. D. MILLIKIN,
Managers on the Part of the Senate.

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 amendments of the Senate to the bill (H. R. 3749) to amend the Servicemen's Readjustment Act of 1944 to provide for a readjustment allowance for all veterans of World War II, 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 Senate amendment to the text of the bill strikes out all of the House bill after the enacting clause. The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment, and that the Senate agree to the same.

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

PROCEDURE

The House bill provided that the Veterans' Administration should have the same authority and discretion as the War and Navy Departments and the United States Public Health Service in the appointment of civil-service personnel, and provided that the provisions of section 100 of the Servicemen's Readjustment Act of 1944 as to priorities for materials should apply to any State institutions to be built for the care or hospitalization of veterans. The bill as agreed to in conference omits this provision.

The Senate amendment amends section 100 of the Servicemen's Readjustment Act so as to make permanent the authority of the Administrator under that section to procure necessary space for administrative, clinical, medical, and outpatient treatment purposes, by lease, purchase, or construction of buildings, or by condemnation or declaration of taking. Under existing law this authority is limited to the present war and 6 months thereafter. The House bill omitted this authority entirely. The bill as agreed to in conference includes the Senate provision.

The House bill liberalized the provisions of section 104 of the Servicemen's Readjustment Act to insure ample authority governing the procurement of prosthetic appliances and services in connection therewith to disabled veterans, including necessary travel expenses. There is no corresponding provision in the Senate amendment. The bill as agreed to in conference retains the House provision.

The Senate amendment contains a provision amending section 200 of the Servicemen's Readjustment Act to authorize the Administrator at his discretion to furnish necessary space, suitable office facilities and stenographic assistance for the use of paid full-time representatives of veterans organizations, with reimbursement on an actual cost

basis. The section as agreed to in conference authorizes the Administrator, in his discretion, to furnish space and office facilities, if available, but omits the requirement for reimbursement.

Section 302 of the Servicemen's Readjustment Act was amended in the House bill to permit review boards to review action of boards of medical survey. The Senate amendment adds authority to review findings and decisions of disposition boards. Both of these amendments are retained in the conference agreement.

EDUCATION AND TRAINING

The Senate amendment eliminates the requirement in the law that veterans show that education was interrupted by service; retains the provision in the House bill that extended the time from 2 to 4 years to initiate a course and the time within which education or training may be afforded from 7 to 9 years after the termination of the war; and strikes out the 25-year-age limitation on presumption of interruption of education. The bill as agreed to in conference retains the Senate changes.

The Senate amendment strikes out the references in the law to a refresher or retraining course and in effect provides that the veteran will be afforded approved education or training for a period of 1 year plus the time he was in active service, not to exceed a total of 4 years. The bill as agreed to in conference contains this amendment.

Both the House bill and the Senate amendment contain provisions authorizing short intensive courses under contracts with approved institutions. The Senate amendment, however, strikes out the word "vocational" limiting the training courses provided for and the conference agreement also omits this limitation. It is also made clear that the cost of any such course may not exceed \$500.

Both the House bill and the Senate amendment provided for instruction by correspondence courses. The House bill added correspondence schools to the list of approved institutions but provided that the Government should pay for these correspondence courses quarterly as the course is completed and that no correspondence school should be approved unless it was already in existence. The Senate amendment provides for instruction by correspondence courses subject to contracts as to rates, charging one-fourth of the elapsed time used in following such courses against the veterans period of eligibility; and further limits the total amount payable for a correspondence course or courses to \$500. Both the House bill and the Senate amendment precluded payment of subsistence allowance while pursuing a correspondence course. The bill as agreed to in conference follows the Senate provision.

The Senate amendment amends existing law to permit the Administrator to make an adjustment of fees in the case of public institutions if he finds that customary charges are insufficient to permit the furnishing of education or training to eligible veterans, by agreement with each institution on an over-all plan and based on a showing of need of assistance to meet the educational demands under the Federal program. The bill as agreed to in conference retains the Senate provision, with an amendment permitting the estimated cost to be fixed (by regulation if desirable) instead of the actual cost (only by agreement) and further permitting a veteran to elect to foreshorten his

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period of eligibility by having all customary charges in excess of \$500 paid.

The House bill increased subsistence allowances from \$50 to \$60 per month in the case of veterans without dependents and from \$75 to \$85 per month in the case of veterans with dependents. The Senate amendment increases these amounts to \$65 and \$90, respectively. The Senate rates are retained in the conference agreement.

The Senate amendment provides for approved combination of courses under part VIII (education and training) and part VII (vocational rehabilitation) of Veterans Regulation No. 1 (a), with the proviso that the total period of combined courses must not exceed the maximum period or limitations under the part affording the greater period of eligibility. This provision is included in the bill as agreed to in conference.

The Senate amendment adds a proviso to section 4 of Public Law 16, Seventy-eighth Congress, which was added by section 402 of the Servicemen's Readjustment Act, authorizing the release of returned books, supplies, or equipment to educational or training institutions for credit, or the disposition thereof otherwise, without regard to limitations on disposition of surplus property generally. The conference agreement retains this provision.

The Senate amendment permits the Administrator to approve courses under Public Law 16, relating to vocational rehabilitation, beyond the 4-year period fixed in existing law and also extended from 6 to 9 years after the end of the war the time within which training may be furnished, to conform to the amendments made in part VIII. These provisions are retained in the bill as agreed to in conference.

The Senate amendment contains an amendment revising paragraph 3 of part VII of Veterans Regulation No. 1 (a), as amended (Public Law 16, 78th Cong.) to provide that the disabled veteran, while pursuing training and for 2 months after his employability is determined, will be paid the amount of subsistence allowance specified in paragraph 6 of part VIII, Veterans Regulation No. 1 (a), as amended (the education provisions). It establishes a minimum rate of \$105 for a veteran without dependents, \$115 with a dependent, and \$10 additional for a child and \$7 for each additional child and \$15 for a dependent parent. Under existing law, while a veteran may receive additional pension while pursuing a course of training, the amount payable cannot exceed the rates for total temporary disability. The effect of the amendment is to permit the disabled veteran to receive subsistence allowances at the sums payable under part VIII relating to education and training plus whatever pension he is entitled to under existing law, but with a prescribed minimum, to protect the disabled veterans with low rate of pension. The bill as agreed to in conference retains this amendment.

LOAN PROVISIONS

The House bill extensively revised title III of the Servicemen's Readjustment Act. It extended the time within which application for a loan might be made, from 2 to 6 years after separation from the military or naval forces or after termination of the war, whichever is the later date, but in no event more than 8 years (now 5 years) after the termination of the war. It further provided that the eligible

veteran may apply to any of the established lending agencies set forth in the bill for a loan for the purposes specified in title III in any amount that may be agreed upon between the lender and the veteran, and when the loan is made by the lender he would be automatically guaranteed up to 50 percent of the loan by the Administrator of Veterans' Affairs. It was provided that the aggregate amount guaranteed should not exceed \$2,000 and that no loan should be renegotiated until 30 days after the veteran's discharge. The House bill provided that an honorable discharge should be the veteran's certificate of eligibility to apply for a guaranteed loan, and veterans who have a discharge other than honorable or dishonorable would receive from the Administrator upon request after discharge a certificate of eligibility. Upon making the loan the lender would endorse upon the back of the discharge or certificate, in lieu of discharge or certificate of eligibility, the date and amount of the loan and would transmit to the Administrator a statement setting forth the name and serial number of the veteran, amount and terms of the loan, and the legal description of the property. No approval of the loan would be required by the Administrator. The House bill, in connection with loans for homes, farms, or business property, substituted for "reasonable normal value thereof as determined by proper appraisal," contained in the present law, the language "reasonable value thereof as determined the lender's appraisal." In the event the veteran defaulted in payment of his loan and after suit or foreclosure and sale the deficiency was determined, then upon notification from the lender, the Administrator would pay to the lender its guaranty not in excess of \$2,000 and not in excess of the deficiency, and be subrogated to the rights of the lender to the extent of the amount paid on the guaranty. It was provided that prior to suit or foreclosure the lender was to notify the Administrator and within 30 days thereafter the Administrator might at his option pay the lender the unpaid balance of the loan plus accrued interest and receive an assignment of the loan and security and thereafter sue or foreclose in the name of the Veterans' Administration.

The Senate amendment, while preserving the existing procedure under the loan provisions, also makes substantial changes in existing law. It permits a veteran to apply for guaranty of a loan within 10 years after the termination of the war; authorizes the Administrator to pay an amount equivalent to 4 percent on the amount originally guaranteed rather than payment of interest for the first year; extends the maturity limitation from 20 to 25 years generally, and in the case of loans on farm realty to 40 years; makes clear that the veteran may purchase a lot out of the proceeds of a loan designed to finance the construction of a home on that lot; omits the word "normal" from the phrase "reasonable normal value" in connection with appraisals; broadens the present language of the act so that loans can be made for every ordinary farming purpose; broadens the business loan provisions to permit any normal business enterprise to be financed initially; broadens the refinancing of existing indebtedness to cover all types of loans, but with restrictive provisions; extends the powers of the Administrator to perform functions under the loan provisions, principally with respect to suits, payment of claims, compromises, property administration and the like; and adds a plan permitting the Administrator to insure loans for business purposes on a plan similar to that provided for modernization and repair loans under title I of

the Housing Act (such insurance to be issued in lieu of a guaranty, to be issued direct to the lending institutions under procedure giving them not to exceed a 15 percent coverage, and to be issued only to supervised lending institutions or financial institutions purchasing such loans from the original lending institution).

The bill as agreed to in conference seeks to combine and integrate the two procedures set out in the House bill and the Senate amendment, respectively. It liberalizes the title substantially in accordance with the Senate provisions, but in place of the present predetermination of the Veterans' Administration that a proposed loan may be guaranteed it provides that a loan is automatically guaranteed by virtue of the lender and the veteran having consummated a loan in full compliance with the specific provisions of the title, one of which is that the purchase price or cost does not exceed the reasonable value as determined by proper appraisal made by an appraiser designated by the Administrator of Veterans' Affairs. The Veterans' Administration upon determining that a loan has been automatically guaranteed is authorized to issue a certificate of guaranty. Loans to be made by private lenders must be approved in advance by the Veterans' Administration in order to be guaranteed. More specifically, the conference agreement contains the following provisions:

Section 500: Any loan made by an eligible veteran within 10 years after the end of the war in compliance with the terms and conditions of the title is automatically guaranteed in an amount not in excess of 50 percent of the loan. The aggregate amount of guaranty in the case of a non-real-estate loan may not exceed \$2,000 and in the case of a real estate loan, \$4,000, or a proportionate amount in combination loans. The interest may not exceed 4 percent. The maturity of amortized loans on real estate may not exceed 25 years, or in case of farm realty 40 years, and the maturity on non-real-estate loans shall not exceed 10 years. The guaranteed loans may be made by any ordinary lending agency which is subject to examination and supervision by an agency of the United States or of any State or Territory, including the District of Columbia. Restrictions of Federal laws are removed as to certain institutions subject to Federal supervision with respect to the following:

- (1) Ratio of amount of loan to the value of the property;
- (2) Maturity of loan;
- (3) Requirement for mortgage or other security;
- (4) Dignity of lien;
- (5) Percentage of assets which may be invested in real estate loans.

As noted above, lenders not of one of the specified classes may make guaranteed loans only in the event the loan is approved in advance by the Administrator of Veterans' Affairs.

Sections 501, 502, and 503 are amended to conform to the principle established in section 500, and the latter two sections are broadened materially in accordance with the Senate version.

Section 504 authorizing the Administrator to make necessary regulations, is retained, with limitations conforming to the procedure adopted.

Section 505, relating to secondary loans, is retained with amendments to conform to the new procedure, but the provision that the rate of interest on the second loan shall not exceed that on the principal loan by more than 1 percent is omitted.

Section 506, relating to procedure on default, is retained substantially as in the House bill.

Section 507 is the Senate provision respecting loans for the payment of defaulted indebtedness or delinquent taxes, but with an amendment to conform to the remaining provisions of the title.

Section 508, respecting the insurance of loans made by supervised lending agencies, is taken from the Senate amendment with an amendment authorizing the insurance of any loan which otherwise might be made under the amended title III, the Senate provision having confined this to loans under section 503.

Section 509 is the provision in the Senate amendment extending the powers of the Administrator to perform functions under the loan provisions, and is retained with minor clarifying amendments.

Section 510 is designed to protect contractual rights under loan guaranties issued under the original act and to authorize the approval of applications filed at any time within 90 days after the effective date of the amended act, in order to permit the continued processing of loan applications pending the issuance of necessary instructions and regulations under the amendatory legislation.

MISCELLANEOUS

The House bill provided that any proposed regulation to carry out the purposes of the act other than interagency administrative rules or orders should, before becoming effective, be submitted to the Committee on Finance of the Senate and to the Committee on World War Veterans' Legislation of the House of Representatives. If neither committee acted within 15 days the rule or order would become effective and if approved by either committee it would become effective immediately upon such approval; and if disapproved by either committee it would not be issued. In the event of conflicting committee actions the earlier action would govern. There is no corresponding provision in the Senate amendment. The bill as agreed to in conference omits this provision.

The Senate amendment limits the application of section 1505 of the law, relating to charges and deductions against benefits under any adjusted compensation law, to benefits received by or paid for a veteran under title III of the act, relating to loans. The House bill left the law unchanged. The conference agreement repeals section 1505 in its entirety.

The Senate amendment extends to persons who served in the active military or naval service of Allied Governments and who were citizens of the United States at the time of entrance into such service, the benefits of the Servicemen's Readjustment Act as well as the vocational rehabilitation provisions of Public Law 16, Seventy-eighth Congress, to the same extent as in the case of persons who served in our own armed forces. It is provided, however, that these benefits will be extended only to persons who are residents of the United States at the time of filing claim and who are not receiving similar benefits from the government of the Allied Nation concerned. There was no corresponding provision in the House bill. The bill as agreed to in conference includes this provision.

The Senate amendment also extends the benefits of titles II and III of the act and of Public Law 16, Seventy-eighth Congress, to persons

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while on terminal leave or while hospitalized pending final discharge, with provision that no subsistence allowance would be paid in such cases under title II of the act or Public Law 16. This section is made effective as of June 22, 1944, the date of enactment of the Servicemen's Readjustment Act. There was no corresponding provision in the House bill. The bill as agreed to in conference includes this provision.

AMENDMENT TO TITLE

The title of the bill as amended by the Senate reads "An Act to amend the Servicemen's Readjustment Act of 1944, and for other purposes." The House recedes.

J. E. RANKIN,
A. LEONARD ALLEN,
JAMES DOMENGEAUX,
EDITH NOURSE ROGERS,
PAUL CUNNINGHAM,
Managers on the Part of the House.

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