

Public Law 89-358

March 3, 1966
[S. 9]

AN ACT

To provide readjustment assistance to veterans who serve in the Armed Forces during the induction period.

Veterans' Re-
adjustment Bene-
fits Act of 1966.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Veterans' Readjustment Benefits Act of 1966".

EDUCATIONAL BENEFITS

72 Stat. 1170,
38 USC 1501
et seq.

SEC. 2. Part III of title 38, United States Code, is amended by inserting immediately after chapter 31 thereof the following new chapter:

"CHAPTER 34—VETERANS' EDUCATIONAL ASSISTANCE**"SUBCHAPTER I—PURPOSE—DEFINITIONS**

"Sec.

"1651. Purpose.

"1652. Definitions.

"SUBCHAPTER II—ELIGIBILITY AND ENTITLEMENT

"1661. Eligibility; entitlement; duration.

"1662. Time limitations for completing a program of education.

"1663. Educational and vocational counseling.

"SUBCHAPTER III—ENROLLMENT

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"SUBCHAPTER IV—PAYMENTS TO ELIGIBLE VETERANS

"1681. Educational assistance allowance.

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"1684. Overcharges by educational institutions.

"1685. Approval of courses.

"1686. Discontinuance of allowances.

"Subchapter I—Purpose—Definitions**"§ 1651. Purpose**

"The Congress of the United States hereby declares that the education program created by this chapter is for the purpose of (1) enhancing and making more attractive service in the Armed Forces of the United States, (2) extending the benefits of a higher education to qualified and deserving young persons who might not otherwise be able to afford such an education, (3) providing vocational readjustment and restoring lost educational opportunities to those service men and women whose careers have been interrupted or impeded by

reason of active duty after January 31, 1955, and (4) aiding such persons in attaining the vocational and educational status which they might normally have aspired to and obtained had they not served their country.

“§ 1652. Definitions

“For the purposes of this chapter—

“(a) (1) The term ‘eligible veteran’ means any veteran who (A) served on active duty for a period of more than 180 days any part of which occurred after January 31, 1955, and who was discharged or released therefrom under conditions other than dishonorable or (B) was discharged or released from active duty after such date for a service-connected disability.

“(2) The requirement of discharge or release, prescribed in paragraph (1) (A), shall be waived in the case of any individual who served at least two years in an active-duty status for so long as he continues on active duty without a break therein.

“(3) For purposes of paragraph (1) (A) and section 1661(a), the term ‘active duty’ does not include any period during which an individual (A) was assigned full time by the ‘Armed Forces to a civilian institution for a course of education which was substantially the same as established courses offered to civilians, (B) served as a cadet or midshipman at one of the service academies, or (C) served under the provisions of section 511(d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve.

77 Stat. 135.

“(b) The term ‘program of education’ means any curriculum or any combination of unit courses or subjects pursued at an educational institution which is generally accepted as necessary to fulfill requirements for the attainment of a predetermined and identified educational, professional, or vocational objective.

“(c) The term ‘educational institution’ means any public or private secondary school, vocational school, correspondence school, business school, junior college, teachers’ college, college, normal school, professional school, university, or scientific or technical institution, or any other institution if it furnishes education at the secondary school level or above.

“(d) The term ‘dependent’ means—

“(1) a child of an eligible veteran;

“(2) a dependent parent of an eligible veteran; and

“(3) the wife of an eligible veteran.

“Subchapter II—Eligibility and Entitlement

“§ 1661. Eligibility; entitlement; duration

“Entitlement

“(a) Except as provided in subsection (b), each eligible veteran shall be entitled to educational assistance under this chapter for a period of one month (or to the equivalent thereof in part-time educational assistance) for each month or fraction thereof of his service on active duty after January 31, 1955.

“Entitlement Limitations

“(b) Except as provided in subsection (c), in no event shall an eligible veteran receive educational assistance under this chapter for a period which, when combined with education and training received under any or all of the laws listed below, will exceed thirty-six months—

“(1) parts VII or VIII, Veterans Regulation Numbered 1(a), as amended;

“(2) title II of the Veterans’ Readjustment Assistance Act of 1952;

“(3) the War Orphans’ Educational Assistance Act of 1956;

“(4) chapters 31, 33, and 35 of this title.

“(c) Whenever the period of entitlement under this section of an eligible veteran who is enrolled in an educational institution regularly operated on the quarter or semester system ends during a quarter or semester, such period shall be extended to the termination of such unexpired quarter or semester. In educational institutions not operated on the quarter or semester system, whenever the period of eligibility ends after a major portion of the course is completed such period shall be extended to the end of the course or for twelve weeks, whichever is the lesser period.

“(d) If an eligible veteran is entitled to educational assistance under this chapter and also to vocational rehabilitation under chapter 31 of this title, he must, if he wants either, elect whether he will receive educational assistance or vocational rehabilitation. If an eligible veteran is entitled to educational assistance under this chapter and is not entitled to such vocational rehabilitation, but after beginning his program of education becomes entitled (as determined by the Administrator) to such vocational rehabilitation, he must, if he wants either, elect whether to continue to receive educational assistance or whether to receive such vocational rehabilitation. If he elects to receive vocational rehabilitation, the program of education under this chapter shall be utilized to the fullest extent practicable in determining the character and duration of vocational rehabilitation to be furnished him.

“§ 1662. Time limitations for completing a program of education

“Delimiting Period for Completion

“(a) No educational assistance shall be afforded an eligible veteran under this chapter beyond the date eight years after his last discharge or release from active duty after January 31, 1955.

“Correction of Discharge

“(b) In the case of any eligible veteran who has been prevented, as determined by the Administrator, from completing a program of education under this chapter within the period prescribed by subsection (a), because he had not met the nature of discharge requirements of this chapter before a change, correction, or modification of a discharge or dismissal made pursuant to section 1553 of title 10, the correction of the military records of the proper service department under section 1552 of title 10, or other corrective action by competent authority, then the 8-year delimiting period shall run from the date his discharge or dismissal was changed, corrected, or modified.

38 USC 1952
Ed., ch. 12A.

38 USC 1601
note.
70 Stat. 411,
38 USC 1701
et seq.

76 Stat. 509.

70A Stat. 116.

“Savings Clause

“(c) In the case of any eligible veteran who was discharged or released from active duty before the date for which an educational assistance allowance is first payable under this chapter, the 8-year delimiting period shall run from such date, if it is later than the date which otherwise would be applicable.

“§ 1663. Educational and vocational counseling

“The Administrator may arrange for educational and vocational counseling for veterans eligible for educational assistance under this chapter. 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. Facilities of other Federal agencies collecting such information shall be utilized to the extent he deems practicable.

“Subchapter III—Enrollment

“§ 1670. Selection of program

“Subject to the provisions of this chapter, each eligible veteran may select a program of education to assist him in attaining an educational, professional, or vocational objective at any educational institution (approved in accordance with chapter 36 of this title) selected by him, which will accept and retain him as a student or trainee in any field or branch of knowledge which such institution finds him qualified to undertake or pursue.

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“§ 1671. Applications; approval

“Any eligible veteran who desires to initiate a program of education under this chapter shall submit an application to the Administrator which shall be in such form, and contain such information, as the Administrator shall prescribe. The Administrator shall approve such application unless he finds that such veteran is not eligible for or entitled to the educational assistance applied for, or that his program of education fails to meet any of the requirements of this chapter, or that he is already qualified. The Administrator shall notify the eligible veteran of the approval or disapproval of his application.

“§ 1672. Change of program

“(a) Except as provided in subsection (b), each eligible veteran (except an eligible veteran whose program has been interrupted or discontinued due to his own misconduct, his own neglect, or his own lack of application) may make not more than one change of program of education.

“(b) The Administrator may approve one additional change (or an initial change in the case of a veteran not eligible to make a change under subsection (a)) in program if he finds that—

“(1) the program of education which the eligible veteran proposes to pursue is suitable to his aptitudes, interests, and abilities; and

“(2) in any instance where the eligible veteran has interrupted, or failed to progress in, his program due to his own misconduct, his own neglect, or his own lack of application, there exists a reasonable likelihood with respect to the program which the eligible veteran proposes to pursue that there will not be a recurrence of such an interruption or failure to progress.

“(c) As used in this section the term ‘change of program of education’ shall not be deemed to include a change from the pursuit of one program to pursuit of another where the first program is prerequisite to, or generally required for, entrance into pursuit of the second.

“§ 1673. Disapproval of enrollment in certain courses

“(a) The Administrator shall not approve the enrollment of an eligible veteran in any type of course which the Administrator finds to be avocational or recreational in character unless the eligible veteran submits justification showing that the course will be of bona fide use in the pursuit of his present or contemplated business or occupation.

“(b) The Administrator shall not approve the enrollment of an eligible veteran in any course of flight training other than one given by an educational institution of higher learning for credit toward a standard college degree the eligible veteran is seeking.

“(c) The Administrator shall not approve the enrollment of an eligible veteran in any course of apprentice or other training on the job, any course of institutional on-farm training, or any course to be pursued by open circuit television (except as herein provided) or radio. The Administrator may approve the enrollment of an eligible veteran in a course, to be pursued in residence, leading to a standard college degree which includes, as an integral part thereof, subjects offered through the medium of open circuit television, if the major portion of the course requires conventional classroom or laboratory attendance.

“(d) The Administrator shall not approve the enrollment of any eligible veteran, not already enrolled, in any nonaccredited course below the college level offered by a proprietary profit or proprietary nonprofit educational institution for any period during which the Administrator finds that more than 85 per centum of the students enrolled in the course are having all or part of their tuition, fees, or other charges paid to or for them by the educational institution or the Veterans’ Administration under this chapter or chapter 31 or 35 of this title.

“§ 1674. Discontinuance for unsatisfactory conduct or progress

“The Administrator shall discontinue the educational assistance allowance of an eligible veteran if, at any time, the Administrator finds that according to the regularly prescribed standards and practices of the educational institution, his conduct or progress is unsatisfactory. The Administrator may renew the payment of the educational assistance allowance only if he finds that—

“(1) the cause of the unsatisfactory conduct or progress of the eligible veteran has been removed; and

“(2) the program which the eligible veteran now proposes to pursue (whether the same or revised) is suitable to his aptitudes, interests, and abilities.

“§ 1675. Period of operation for approval

“(a) The Administrator shall not approve the enrollment of an eligible veteran in any course offered by an educational institution when such course has been in operation for less than two years.

“(b) Subsection (a) shall not apply to—

“(1) any course to be pursued in a public or other tax-supported educational institution;

“(2) any course which is offered by an educational institution which has been in operation for more than two years, if such course is similar in character to the instruction previously given by such institution;

“(3) any course which has been offered by an institution for a period of more than two years, notwithstanding the institution has moved to another location within the same general locality; or

“(4) any course which is offered by a nonprofit educational institution of college level and which is recognized for credit toward a standard college degree.

“§ 1676. Education outside the United States

“An eligible veteran may not pursue a program of education at an educational institution which is not located in a State, unless such program is pursued at an approved educational institution of higher learning. The Administrator in his discretion may deny or discontinue the educational assistance under this chapter of any veteran in a foreign educational institution if he finds that such enrollment is not for the best interest of the veteran or the Government.

“Subchapter IV—Payments to Eligible Veterans

“§ 1681. Educational assistance allowance

“(a) The Administrator shall pay to each eligible veteran who is pursuing a program of education under this chapter an educational assistance allowance to meet, in part, the expenses of his subsistence, tuition, fees, supplies, books, equipment, and other educational costs.

“(b) The educational assistance allowance of an eligible veteran shall be paid, as provided in section 1682 of this title, only for the period of his enrollment as approved by the Administrator, but no allowance shall be paid—

“(1) to any veteran enrolled in a course which leads to a standard college degree for any period when such veteran is not pursuing his course in accordance with the regularly established policies and regulations of the educational institution and the requirements of this chapter, or of chapter 36;

“(2) to any veteran enrolled in a course which does not lead to a standard college degree for any day of absence in excess of thirty days in a twelve-month period, not counting as absences weekends or legal holidays established by Federal or State law during which the institution is not regularly in session; or

“(3) to any veteran pursuing his program exclusively by correspondence for any period during which no lessons were serviced by the institution.

“(c) The Administrator may, pursuant to such regulations as he may prescribe, determine enrollment in, pursuit of, and attendance at, any program of education or course by an eligible veteran for any period for which he receives an educational assistance allowance under this chapter for pursuing such program or course.

“(d) No educational assistance allowance shall be paid to an eligible veteran enrolled in a course in an educational institution which does not lead to a standard college degree for any period until the Administrator shall have received—

“(1) from the eligible veteran a certification as to his actual attendance during such period or where the program is pursued by correspondence a certificate as to the number of lessons actually completed by the veteran and serviced by the institution; and

“(2) from the educational institution, a certification, or an endorsement on the veteran's certificate, that such veteran was enrolled in and pursuing a course of education during such period

and, in the case of an institution furnishing education to a veteran exclusively by correspondence, a certificate, or an endorsement on the veteran's certificate, as to the number of lessons completed by the veteran and serviced by the institution.

“(e) Educational assistance allowances shall be paid as soon as practicable after the Administrator is assured of the veteran's enrollment in and pursuit of the program of education for the period for which such allowance is to be paid.

“§ 1682. Computation of educational assistance allowances

“(a) (1) Except as provided in subsection (b) or (c) (1), while pursuing a program of education under this chapter of half-time or more, each eligible veteran shall be paid the monthly educational assistance allowance set forth in column II, III, or IV (whichever is applicable as determined by the veteran's dependency status) opposite the applicable type of program as shown in column I:

“Column I	Column II	Column III	Column IV
Type of program	No dependents	One dependent	Two or more dependents
Institutional:			
Full time.....	\$100	\$125	\$150
Three quarter time.....	75	95	115
Half time.....	50	65	75
Cooperative.....	80	100	120

“(2) A ‘cooperative’ program means a full-time program of education which consists of institutional courses and alternate phases of training in a business or industrial establishment with the training in the business or industrial establishment being strictly supplemental to the institutional portion.

“(b) The educational assistance allowance of an individual pursuing a program of education—

“(1) while on active duty, or

“(2) on less than a half-time basis,

shall be computed at the rate of (A) the established charges for tuition and fees which the institution requires similarly circumstanced non-veterans enrolled in the same program to pay, or (B) \$100 per month for a full-time course, whichever is the lesser.

“(c) (1) The educational assistance allowance of an eligible veteran pursuing a program of education exclusively by correspondence shall be computed on the basis of the established charge which the institution requires nonveterans to pay for the course or courses pursued by the eligible veteran. Such allowance shall be paid quarterly on a pro rata basis for the lessons completed by the veteran and serviced by the institution, as certified by the institution.

“(2) In the case of any eligible veteran who is pursuing any program of education exclusively by correspondence, one-fourth of the elapsed time in following such program of education shall be charged against the veteran's period of entitlement.

“§ 1683. Measurement of courses

“(a) For the purposes of this chapter—

“(1) an institutional trade or technical course offered on a clock-hour basis below the college level involving shop practice as an integral part thereof, shall be considered a full-time course

when a minimum of thirty hours per week of attendance is required with no more than two and one-half hours of rest periods per week allowed;

“(2) an institutional course offered on a clock-hour basis below the college level in which theoretical or classroom instruction predominates shall be considered a full-time course when a minimum of twenty-five hours per week net of instruction (which may include customary intervals not to exceed ten minutes between hours of instruction) is required; and

“(3) an institutional undergraduate course offered by a college or university on a quarter- or semester-hour basis for which credit is granted toward a standard college degree shall be considered a full-time course when a minimum of fourteen semester hours or its equivalent is required.

“(b) The Administrator shall define part-time training in the case of the types of courses referred to in subsection (a), and shall define full-time and part-time training in the case of all other types of courses pursued under this chapter.

“§ 1684. Overcharges by educational institutions

“(a) If the Administrator finds that an educational institution has charged or received from any eligible veteran pursuing a program of education under this chapter any amount for any course in excess of the charges for tuition and fees which such institution requires similarly circumstanced nonveteran students, who are enrolled in the same course to pay, he may disapprove such educational institution for the enrollment of any eligible veteran not already enrolled therein under this chapter and any eligible veteran or person not already enrolled therein under chapter 31 or 35 of this title.

“(b) Any educational institution which has been disapproved under section 1734 of this title shall be deemed to be disapproved for the enrollment under this chapter of any eligible veteran not already enrolled therein.

“§ 1685. Approval of courses

“An eligible veteran shall receive the benefits of this chapter while enrolled in a course of education offered by an educational institution only if such course is approved in accordance with the provisions of subchapter I of chapter 36 of this title.

Post, p. 20.

“§ 1686. Discontinuance of allowances

“The Administrator may discontinue the educational assistance allowance of any eligible veteran if he finds that the program of education or any course in which the eligible veteran is enrolled fails to meet any of the requirements of this chapter or chapter 36, or if he finds that the educational institution offering such program or course has violated any provision of this chapter or chapter 36, or fails to meet any of their requirements.”

SEC. 3. (a) Chapter 35 of title 38 of the United States Code is amended by—

72 Stat. 1192.

(1) amending section 1761 thereof to read as follows:

“§ 1761. Authority and duties of Administrator

“(a) The Administrator may provide the educational and vocational counseling required under section 1720 of this title, and may provide or require additional counseling if he deems it to be necessary to accomplish the purposes of this chapter.

“(b) Where any provision of this chapter authorizes or requires any function, power, or duty to be exercised by a State, or by any officer or agency thereof, such function, power, or duty shall, with respect to the Republic of the Philippines, be exercised by the Administrator.”;

(2) deleting in section 1762, “(a)” and subsection (b) in its entirety;

(3) deleting sections 1726, 1763, 1764, 1765, 1766, 1767, and 1768;

(4) deleting the following heading, immediately preceding section 1771, “**Subchapter VII—State Approving Agencies**”, and substituting therefor:

“CHAPTER 36.—ADMINISTRATION OF EDUCATIONAL BENEFITS

“SUBCHAPTER I—STATE APPROVING AGENCIES

“Sec.

“1770. Scope of approval.

“1771. Designation.

“1772. Approval of courses.

“1773. Cooperation.

“1774. Reimbursement of expenses.

“1775. Approval of accredited courses.

“1776. Approval of nonaccredited courses.

“1777. Notice of approval of courses.

“1778. Disapproval of courses.

“SUBCHAPTER II—MISCELLANEOUS PROVISIONS

“1781. Nonduplication of benefits.

“1782. Control by agencies of the United States.

“1783. Conflicting interests.

“1784. Reports by institutions.

“1785. Overpayments to eligible persons or veterans.

“1786. Examination of records.

“1787. False or misleading statements.

“1788. Advisory committee.

“1789. Institutions listed by Attorney General.

“1790. Use of other Federal agencies.

“Subchapter I—State Approving Agencies”;

(5) inserting a new section 1770 to read as follows:

“§ 1770. Scope of approval

“(a) A course approved under and for the purposes of this chapter shall be deemed approved for the purposes of chapters 34 and 35 of this title.

“(b) Any course approved under chapter 33 of this title, prior to February 1, 1965, under subchapter VII of chapter 35 of this title, prior to the date of enactment of this chapter, and not disapproved under section 1686, section 1656 (as in effect prior to February 1, 1965), or section 1778 of this title, shall be deemed approved for the purposes of this chapter.”;

(6) striking out in section 1771(a), “this chapter after the date for the expiration of all education and training provided in chapter 33 of this title. Such agency may be the agency designated or created in accordance with section 1641 of this title”, and substituting therefor “chapters 34 and 35 of this title”;

(7) striking out in the first sentence of section 1772(a) the phrase “under subchapter V of this chapter” and inserting in lieu thereof “under subchapter V of chapter 35 of this title”; and

striking out the phrase "this chapter" the first two times it appears in the first sentence of such section 1772(a), and each time such phrase appears in the second, third and fourth sentences of such section 1772(a), and each time such phrase appears in section 1772(b) and in sections 1773 and 1774, and inserting in lieu thereof "chapters 34 and 35";

(8) striking out in sections 1772, 1774, and 1775, each time it appears, the phrase "eligible person" and substituting therefor "eligible person or veteran";

(9) striking out in section 1776 "1653 or";

(10) deleting from the analysis appearing at the head of chapter 35 of such title:

"1726. Institutions listed by the Attorney General."

and

"1763. Control by agencies of the United States.

"1764. Conflicting interests.

"1765. Reports by institutions.

"1766. Overpayments to eligible persons.

"1767. Examination of records.

"1768. False or misleading statements.

"SUBCHAPTER VII—STATE APPROVING AGENCIES

"1771. Designation.

"1772. Approval of courses.

"1773. Cooperation.

"1774. Reimbursement of expenses.

"1775. Approval of accredited courses.

"1776. Approval of nonaccredited courses.

"1777. Notice of approval of courses.

"1778. Disapproval of courses."

(11) striking out the term "eligible persons" in sections 1773 (a) and 1774 and inserting in lieu thereof "eligible persons or veterans".

(b) Title 38 of the United States Code is further amended by adding immediately following section 1778, the following new subchapter:

"Subchapter II—Miscellaneous Provisions

"§ 1781. Nonduplication of benefits

"No educational assistance allowance or special training allowance shall be paid on behalf of any eligible person or veteran under chapter 34 or 35 of this title for any period during which such person or veteran is enrolled in and pursuing a program of education or course paid for by the United States under any provision of law other than such chapters, where the payment of an allowance would constitute a duplication of benefits paid from the Federal Treasury to the eligible person or veteran or to his parent or guardian in his behalf.

Ante, p. 12.

"§ 1782. Control by agencies of the United States

"No department, agency, or officer of the United States, in carrying out this chapter, shall exercise any supervision or control, whatsoever, over any State approving agency, or State educational agency, or any educational institution. 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,

Arts, p. 12.

agency, or officer is authorized by law to exercise over any Federal educational institution or to prevent the furnishing of education under chapter 34 or 35 of this title in any institution over which supervision or control is exercised by such other department, agency, or officer under authority of law.

“§ 1783. Conflicting interests

“(a) Every officer or employee of the Veterans’ Administration who has, while such an officer or employee, owned any interest in, or received any wages, salary, dividends, profits, gratuities, or services from, any educational institution operated for profit in which an eligible person or veteran was pursuing a program of education or course under chapter 34 or 35 shall be immediately dismissed from his office or employment.

“(b) If the Administrator finds that any person who is an officer or employee of a State approving agency has, while he was such an officer or employee, owned any interest in, or received any wages, salary, dividends, profits, gratuities, or services from, an educational institution operated for profit in which an eligible person or veteran was pursuing a program of education or course under chapter 34 or 35 of this title, he shall discontinue making payments under section 1774 of this title to such State approving agency unless such agency shall, without delay, take such steps as may be necessary to terminate the employment of such person and such payments shall not be resumed while such person is an officer or employee of the State approving agency, or State department of veterans’ affairs or State department of education.

“(c) A State approving agency shall not approve any course offered by an educational institution operated for profit, and, if any such course has been approved, shall disapprove each such course, if it finds that any officer or employee of the Veterans’ Administration or the State approving agency owns an interest in, or receives any wages, salary, dividends, profits, gratuities, or services from, such institution.

“(d) The Administrator may, after reasonable notice and public hearings, waive in writing the application of this section in the case of any officer or employee of the Veterans’ Administration or of a State approving agency, if he finds that no detriment will result to the United States or to eligible persons or veterans by reasons of such interest or connection of such officer or employee.

“§ 1784. Reports by institutions

“Educational institutions shall, without delay, report to the Administrator in the form prescribed by him, the enrollment, interruption, and termination of the education of each eligible person or veteran enrolled therein under chapter 34 or 35.

“§ 1785. Overpayments to eligible persons or veterans

“Whenever the Administrator finds that an overpayment has been made to an eligible person or veteran as the result of (1) the willful or negligent failure of an educational institution to report, as required by chapter 34 or 35 of this title and applicable regulations, to the Veterans’ Administration excessive absences from a course, or discontinuance or interruption of a course by the eligible person or veteran, or (2) false certification by an educational institution, the amount of such overpayment shall constitute a liability of such institution, and may be recovered in the same manner as any other debt due the United States. Any amount so collected shall be reimbursed if the overpayment is recovered from the eligible person or veteran. This section shall not preclude the imposition of any civil or criminal liability under this or any other law.

“§ 1786. Examination of records

“The records and accounts of educational institutions pertaining to eligible persons or veterans who received education under chapter 34 or 35 of this title shall be available for examination by duly authorized representatives of the Government.

Ante, p. 12.**“§ 1787. False or misleading statements**

“Whenever the Administrator finds that an educational institution has willfully submitted a false or misleading claim, or that a person or veteran, with the complicity of an educational institution, has submitted such a claim, he shall make a complete report of the facts of the case to the appropriate State approving agency and, where deemed advisable, to the Attorney General of the United States for appropriate action.

“§ 1788. Advisory committee

“There shall be an advisory committee formed by the Administrator which shall be composed of persons who are eminent in their respective fields of education, labor, and management, and of representatives of the various types of institutions and establishments furnishing vocational rehabilitation under chapter 31 of this title or education to eligible persons or veterans enrolled under chapter 34 or 35 of this title. The Commissioner of Education and the Administrator, Manpower Administration, Department of Labor, shall be *ex officio* members of the advisory committee. The Administrator shall advise and consult with the committee from time to time with respect to the administration of this chapter and chapters 31, 34, and 35 of this title, and the committee may make such reports and recommendations as it deems desirable to the Administrator and to the Congress.

38 USC 1501 *et seq.***“§ 1789. Institutions listed by Attorney General**

“The Administrator shall not approve the enrollment of, or payment of an additional assistance allowance to, any eligible veteran or eligible person under chapter 34 or 35 of this title in any course in an educational institution while it is listed by the Attorney General under section 12 of Executive Order 10450.

18 F.R. 2489.
5 USC 631 note.**“§ 1790. Use of other Federal agencies**

“In carrying out his functions under this chapter or chapter 34 or 35 of this title, the Administrator may utilize the facilities and services of any other Federal department or agency. Any such utilization shall be pursuant to proper agreement with the Federal department or agency concerned; and payment to cover the cost thereof shall be made either in advance or by way of reimbursement, as may be provided in such agreement.”

SEC. 4. (a) Chapter 33 of title 38, United States Code, is hereby repealed.

Korean conflict.
Repeal of certain provisions.
38 USC 1601-1669.

(b) Nothing in this Act or any amendment or repeal made by it, shall affect any right or liability (civil or criminal) which matured under chapter 33 of title 38 before the date of enactment of this Act; and all offenses committed, and all penalties and forfeitures incurred, under any provision of law amended or repealed by this Act, may be punished or recovered, as the case may be, in the same manner and with the same effect as if such amendments or repeals had not been made.

(c) The analyses of title 38, United States Code, and of part III thereof, are both amended by (1) striking out

“33. Education of Korean Conflict Veterans..... 1601”;

(2) inserting in lieu thereof,

“34. Veterans' Educational Assistance----- 1650”;

and (3) inserting immediately after

“35. War Orphans' Educational Assistance----- 1701”

the following:

“36. Administration of Educational Benefits----- 1770”.

72 Stat. 1106.

(d) Section 101 of such title 38, United States Code, is amended by adding the following sentence to paragraph (20) thereof: “For the purpose of section 903 and chapters 34 and 35 of this title, such term also includes the Canal Zone.”

(e) Section 102(a)(2) of such title 38 is amended by striking out “Except for the purposes of chapter 33 of this title, dependency” and inserting in lieu thereof “Dependency”.

(f) Section 102(b) of such title 38 is amended by striking out “(except chapters 19 and 33)”, and inserting in lieu thereof, “(except chapter 19)”.

(g) Section 111(a) of such title 38 is amended by striking out “33” and inserting in lieu thereof “34”.

(h) Section 211(a) of such title 38 is amended by striking out “775, 784, 1661, 1761” and inserting in lieu thereof “775, 784”.

(i) Section 903(b) of such title 38 is amended by deleting the last sentence thereof.

(j) Section 1701 of such title 38 is amended (1) by striking out “1013(c)(1) of title 50” in subsection (a)(3)(C) and inserting in lieu thereof “511(d) of title 10” (2) by striking out paragraphs (8) and (9) in subsection (a) thereof and redesignating paragraph (10) of such subsection as paragraph (8) and (3) by striking out “and prior to the end of the induction period” in subsections (a)(1) and (d) thereof.

(k) Section 1711(b) of such title 38 is amended by striking out “33” and inserting in lieu thereof “34”, and by inserting immediately before the period at the end thereof the following: “or under chapter 33 of this title as in effect before February 1, 1965”.

(l) Section 1731 of title 38, United States Code, is amended by striking out subsection (c) thereof and inserting immediately after subsection (b) the following new subsections:

“(c) The Administrator may, pursuant to such regulations as he may prescribe, determine enrollment in, pursuit of, and attendance at, any program of education or course by an eligible person for any period for which an educational assistance allowance is paid on behalf of such eligible person under this chapter for pursuing such program or course.

“(d) No educational assistance allowance shall be paid on behalf of an eligible person enrolled in a course in an educational institution which does not lead to a standard college degree for any period until the Administrator shall have received—

“(1) from the eligible person a certification as to his actual attendance during such period; and

“(2) from the educational institution, a certification, or an endorsement on the eligible person's certificate, that he was enrolled in and pursuing a course of education during such period.

“(e) Educational assistance allowances shall be paid as soon as practicable after the Administrator is assured of the eligible person's enrollment in and pursuit of the program of education for the period for which such allowance is to be paid.”

(m) Section 1734 of such title 38 is amended by (1) striking out "33" in subsection (a) and inserting in lieu thereof "34", and (2) striking out "1634" in subsection (b) and inserting in lieu thereof "1684".

72 Stat. 1199.

(n) Section 1735 of such title 38 is amended to read as follows: "An eligible person shall receive the benefits of this chapter while enrolled in a course of education offered by an educational institution only if such course (1) is approved in accordance with the provisions of subchapter I of chapter 36 of this title, or (2) is approved for the enrollment of the particular individual under the provisions of section 1737 of this title."

Ante, p. 20.

(o) Section 1736 of such title 38 is amended by (1) striking out "(a)", (2) striking out all of subsection (b) thereof, and (3) inserting after the phrase "this chapter", both times it appears, the following: "or of chapter 36 of this title."

(p) Section 3013 of this title 38 is amended by striking out "33" and inserting in lieu thereof "34".

GUARANTEED HOME AND FARM LOANS

SEC. 5. (a) Chapter 37 of title 38 of the United States Code is amended by inserting immediately after section 1817 the following new section:

38 USC 1801 et seq.

"§ 1818. Veterans who serve after January 31, 1955

"(a) Each eligible veteran, as defined in paragraphs (1) and (2) of subsection (a) of section 1652 of this title, shall be eligible for the benefits of this chapter (except sections 1813 and 1815, and business loans under section 1814, of this title), subject to the provisions of this section.

Ante, p. 13.

"(b) Entitlement under subsection (a), (1) shall cancel any unused entitlement under other provisions of this chapter derived from service during World War II or the Korean conflict, and (2) shall be reduced by the amount by which entitlement from service during World War II or the Korean conflict has been used to obtain a direct, guaranteed, or insured loan—

"(A) on real property which the veteran owns at the time of application; or

"(B) as to which the Administrator has incurred actual liability or loss, unless in the event of loss or the incurrence and payment of such liability by the Administrator the resulting indebtedness has been paid in full.

"(c) (1) Entitlement to the benefits of this section will expire as follows:

"(A) Ten years from the date of discharge or release from the last period of active duty of the veteran, any part of which occurred after January 31, 1955, plus an additional period equal to one year for each three months of active duty performed by the veteran after such date, except that entitlement shall not continue in any case after twenty years from the date of the veteran's discharge or release from his last period of active duty, nor shall entitlement expire in any case prior to the date ten years after the date of enactment of this Act; or

"(B) Twenty years from the date of the veteran's discharge or release for a service-connected disability from a period of active duty, any part of which occurred after January 31, 1955.

"(C) Direct loans authorized by this section shall not be made after January 31, 1975, except pursuant to commitments issued by the Administrator on or before that date.

"(2) If a loan report or application for loan guaranty is received by the Administrator before the date of expiration of the veteran's entitlement, the loan may be guaranteed under this chapter after such date.

"(d) A fee shall be collected from each veteran obtaining a loan guaranteed or made under this section, and no loan shall be guaranteed or made under this section until the fee payable with respect to such loan has been collected and remitted to the Administrator. The amount of the fee shall be established from time to time by the Administrator, but shall in no event exceed one-half of 1 per centum of the total loan amount. The amount of the fee may be included in the loan to the veteran and paid from the proceeds thereof. The Administrator shall deposit all fees collected hereunder in the revolving fund established under the provisions of section 1824 of this title.

"(e) Notwithstanding any of the provisions of this section, a veteran deriving entitlement under this section shall not be required to pay the fee prescribed by subsection (d) and such entitlement shall include eligibility for any of the purposes specified in sections 1813 and 1815, and business loans under section 1814 of this title, if (1) the period of his entitlement to the benefits of this chapter based on service during World War II or the Korean conflict has not expired under section 1803(a)(3), and (2) he has not used any of his entitlement derived from such service."

(b) The table of sections at the beginning of chapter 37 of such title is amended by inserting immediately below

"1817. Release from liability under guaranty."

the following:

"1818. Veterans who serve after January 31, 1955."

(c) Section 1822(a) of such title is amended by striking out "or 1813", and inserting in lieu thereof "1813, or 1818".

(d) Section 1803(c)(1) of title 38, United States Code, is amended by striking out ", with the approval of the Secretary" and all that follows through the end thereof and inserting in lieu thereof the following: "may from time to time find the loan market demands; except that such rate shall in no event exceed that in effect under the provisions of section 203(b)(5) of the National Housing Act."

(e) Section 1811(d) of such title is amended by striking out "\$15,000" each place where it appears therein and inserting in lieu thereof in each such place "\$17,500".

(f)(1) Subchapter III of chapter 37 of such title is amended by adding at the end thereof the following new section:

"§ 1826. Withholding of payments, benefits, etc.

"(a) The Administrator shall not, unless he first obtains the consent in writing of an individual, set off against, or otherwise withhold from, such individual any benefits payable to such individual under any law administered by the Veterans' Administration because of liability allegedly arising out of any loan made to, assumed by, or guaranteed or insured on account of, such individual under this chapter.

"(b) No officer, employee, department, or agency of the United States shall set off against, or otherwise withhold from, any veteran or the widow of any veteran any payments (other than benefit payments under any law administered by the Veterans' Administration) which such veteran or widow would otherwise be entitled to receive because of any liability to the Administrator allegedly arising out of any loan made to, assumed by, or guaranteed or insured on account

74 Stat. 532.

72 Stat. 1211.

75 Stat. 201.

68 Stat. 591.
12 USC 1709.
75 Stat. 201.

of, such veteran or widow under this chapter, unless (1) there is first received the consent in writing of such veteran or widow, as the case may be, or (2) such liability and the amount thereof was determined by a court of competent jurisdiction in a proceeding to which such veteran or widow was a party."

(2) The analysis of subchapter III of such chapter 37 is amended by adding at the end thereof the following:

"1826. Withholding of payments, benefits, etc."

JOB COUNSELING

SEC. 6. (a) The heading of chapter 41 of title 38, United States Code, is amended by deleting:

38 USC 2001-2005.

"CHAPTER 41—UNEMPLOYMENT BENEFITS FOR VETERANS"

and inserting therefor:

"CHAPTER 41—JOB COUNSELING AND EMPLOYMENT PLACEMENT SERVICE FOR VETERANS"

(b) The analyses of title 38, United States Code, and of part III thereof, are amended by deleting:

"41. Unemployment Benefits for Veterans..... 2001"

and inserting therefor:

"41. Job Counseling and Employment Placement Service for Veterans..... 2001".

(c) (1) Section 2001 of title 38, United States Code, clauses (3) and (5) of section 2002 of such title, and sections 2003 and 2004 of such title are amended by inserting the phrase "or of service after January 31, 1955" immediately after the phrase "veterans of any war" each time such phrase appears therein.

76 Stat. 558.

(2) The first sentence of section 2002 of such title 38 is amended by inserting the phrase "or of service after January 31, 1955" immediately after the phrase "veteran of any war".

(3) Clauses (1) and (4) of section 2002 of such title 38 are amended by inserting the phrase "or of service after January 31, 1955," immediately after the phrase "veterans of any war" each time such phrase appears in such clauses.

WARTIME PRESUMPTIONS FOR VETERANS SERVING AFTER JANUARY 31, 1955

SEC. 7. (a) Subchapter IV of chapter 11 of title 38, United States Code, is amended by adding at the end thereof the following new section:

72 Stat. 1122.

"§ 337. Wartime presumptions for certain veterans

"For the purposes of this subchapter and subchapter V of this chapter and notwithstanding the provisions of sections 332 and 333 of this subchapter, the provisions of sections 311, 312, and 313 of this chapter shall be applicable in the case of any veteran who served in the active military, naval, or air service after January 31, 1955."

(b) The analysis of such subchapter which appears in such chapter is amended by adding at the end thereof the following:

"337. Wartime presumptions for certain veterans."

MEDICAL CARE

SEC. 8. Section 610(a)(1)(B) and section 610(b)(2) of title 38, United States Code, are each amended by inserting "or of service after January 31, 1955," immediately after "veteran of any war".

76 Stat. 381;
72 Stat. 1141.

DECEASED VETERANS—FLAGS

72 Stat. 1169;
75 Stat. 512.

SEC. 9. Section 901 (a) (1) of title 38, United States Code, is amended by striking out "or of Mexican border service" and inserting in lieu thereof ", of Mexican border service, or of service after January 31, 1955".

SOLDIERS' AND SAILORS' CIVIL RELIEF ACT

54 Stat. 1181.

SEC. 10. Subsection (1) of section 300 of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended (50 App. U.S.C. 530), is amended by striking out "\$80" and inserting in lieu thereof "\$150".

VETERANS' PREFERENCE

64 Stat. 1117.

SEC. 11. Section 2 of the Veterans' Preference Act of 1944, as amended (5 U.S.C. 851), is amended by striking out "and" at the end of clause (5) and by striking out the period at the end of such section and inserting in lieu thereof a semicolon and the following: "and (7) those ex-service men and women who have served on active duty (as defined in section 101 (21) of title 38, United States Code) at any time in any branch of the Armed Forces of the United States for a period of more than one hundred and eighty consecutive days after January 31, 1955, not including service under the provisions of section 511 (d) of title 10, United States Code, pursuant to an enlistment in the Army National Guard or the Air National Guard or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve, and who have been separated from such Armed Forces under honorable conditions."

72 Stat. 1106.

77 Stat. 135.

EFFECTIVE DATES

SEC. 12. (a) Except as otherwise specifically provided, the provisions of this Act shall take effect on the date of its enactment, but no educational assistance allowance shall be payable under chapter 34 of title 38, United States Code, as added by section 2 of this Act, for any period before June 1, 1966, nor for the month of June 1966, unless (1) the eligible veteran commenced the pursuit of the course of education on or after June 1, 1966, or (2) the pursuit of such course continued through June 30, 1966.

Ante, p. 20.

(b) The provisions of section 1765(b) of title 38, United States Code, as in effect immediately before the enactment of this Act, shall remain in effect through May 31, 1966.

Approved March 3, 1966.

Public Law 89-359

AN ACT

March 7, 1966
[H. R. 10185]

Amending certain estate tax provisions of the Internal Revenue Code of 1939.

IRC 1939,
amendment.
53 Stat. 136.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the last sentence of section 894(a) of the Internal Revenue Code of 1939 (relating to the penalty in the case of a false or fraudulent estate tax return) is amended to read as follows: "If any part of any deficiency is due to fraud with intent to evade tax, then 50 per centum of the total amount of the deficiency (in addition to such deficiency) shall be assessed, collected, and paid, in lieu of the 50 per centum addition to the tax provided in section 3612(d) (2)."

53 Stat. 437.
53 Stat. 132.

(b) Section 871(i) of such code (relating to method of assessment) is amended by striking out "section 3612(d) (2)" and inserting in lieu thereof "section 894(a)".