

- (3) If he has been called upon to retire or to resign his commission or warrant by reason of misconduct.
- (4) If his resignation is accepted by reason of misconduct.
- (5) If he has been sentenced to be discharged with ignominy or, in the Naval Service, to dismissal with or without disgrace.
- (6) If he has been discharged by reason of having been convicted by the civil power or by court martial during his service.
- (7) If he has been discharged for misconduct.

Payment of the basic and supplementary gratuities is made by monthly cheque not exceeding the amount of the pay and allowances drawn for the last clear month while in service.

Dependants of service men killed on Active Service are eligible for any gratuities earned by the deceased service man for his service, and if no dependants qualify the gratuities become a part of the service man's estate and are administered by the Estates Branch of the Department of National Defence. The calculation and payment of gratuities is also the responsibility of that Department.

Re-establishment Credit.—Part II of the Act provides for an additional amount equal to the basic gratuity, which is known as the re-establishment credit.

A statement of gratuities is forwarded to the ex-service man with his first gratuity cheque and a copy is also forwarded to the Department of Veterans Affairs which immediately sets up a ledger sheet crediting that ex-service man or woman with an amount equal to the basic gratuity shown on the statement.

All or any part of the re-establishment credit may be used by the veteran within a period of ten years from the date of his discharge, provided the veteran is resident in Canada and the Minister is satisfied that the credit will be used for his re-establishment in Canada for one or more of the following purposes:—

- (1) The acquisition of a home—
 - (i) under the National Housing Act, 1944, in an amount not exceeding two-thirds of the difference between the lending value of the home and the amount of the loan made under that Act; or
 - (ii) if not under the National Housing Act, 1944, in an amount not exceeding two-thirds of the difference between the appraised value of the home as approved by the Minister or the purchase price, whichever is the lower, and the amount of the encumbrance or encumbrances thereon, if any.
- (2) The repair or modernization of his home, if owned by him.
- (3) The purchase of furniture and household equipment for his domestic use in an amount not exceeding two-thirds of the cost thereof.
- (4) The provision of working capital for his profession or business.
- (5) The purchase of tools, instruments or equipment for his trade, profession or business.
- (6) The purchase of a business by him in an amount not exceeding two-thirds of the equity fund required for such purpose.
- (7) The payment of premiums under any insurance scheme established by the Government of Canada.
- (8) The purchase of special equipment required for his educational or vocational training.
- (9) Any other purpose authorized by the Governor in Council.

Application for all or part of this credit for one or more of the specified purposes is made through the offices of the Department of Veterans Affairs.

Benefits received by an ex-service man or woman for vocational training, higher education or under the Veterans' Land Act are charged against re-establishment credit. This, however, does not mean that the amount of re-establishment credit governs the amount of benefits available to a veteran under the Veterans' Land Act, or for training or education.