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U.S. GOVERNMENT
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[CHAPTER 671]

JOINT RESOLUTION

July 25, 1946
[H. J. Res. 371]
[Public Law 548]

Extending the effective period of the Emergency Price Control Act of 1942, as amended, and the Stabilization Act of 1942, as amended.

Price Control Extension Act of 1946.
Ante, p. 609; *post*, p. 915.
59 Stat. 306.
50 U. S. C., Supp. V, app. § 901 (b).
59 Stat. 306.
50 U. S. C., Supp. V, app. § 966.
56 Stat. 23.
50 U. S. C., Supp. V, app. § 901.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 (b) of the Emergency Price Control Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947".

SEC. 2. Section 6 of the Stabilization Act of 1942, as amended, is amended by striking out "June 30, 1946" and substituting "June 30, 1947".

SEC. 3. Title I of the Emergency Price Control Act of 1942, as amended, is amended by inserting after section 1 thereof a new section as follows:

"PURPOSES AND POLICIES IN THE TRANSITION PERIOD

"SEC. 1A. (a) OBJECTIVES.—The Congress hereby affirms—

"(1) that because of abnormally excess spending power in relation to the presently available supply of commodities, rapid attainment of production equal to the public demand is one of the necessary and urgent objectives for the prevention of inflation and for the achievement of a reasonable stability in the general level of prices and rents, cost of living and costs of production (including labor costs), for the purposes set forth in section 1 of this Act and for the further purposes of protecting the real value of benefits provided by law for veterans and their dependents, of keeping faith with purchasers of United States War Bonds, and of making possible a successful transition to a peacetime economy of maximum employment, production, and purchasing power under a system of free enterprise;

"(2) that unnecessary or unduly prolonged controls over prices and rents and use of subsidies would be inconsistent with the return to such a peacetime economy and would tend to repress and prevent the attainment of this and the other goods herein declared; and

"(3) that adequate prices are necessary stimulants to the production thus desired and the expeditious attainment of said goals.

"(b) DECLARATION OF DECONTROL POLICY.—Therefore, it is hereby declared to be the policy of the Congress that the Office of Price Administration, and other agencies of the Government, shall use their price, subsidy, and other powers to promote the earliest practicable balance between production and the demand therefor of commodities under their control, and that the general control of prices and the use of subsidy powers shall, subject to other specific provisions of this Act, be terminated as rapidly as possible consistent with the policies and purposes set forth in this section and in no event later than June 30, 1947, and on that date the Office of Price Administration shall be abolished.

Termination of control and use of subsidy powers.

"(c) RECOMMENDATIONS BY THE PRESIDENT TO THE CONGRESS.—(1) As soon as practicable after the enactment of this section and in any event on or before January 15, 1947, the President shall recommend to the Congress such further legislation as in his judgment is needed to establish monetary, fiscal, and other policies which are adequate to supplement the control of prices and wages during the balance of the fiscal year 1947, and to insure that general control of

Legislation to establish supplementary policies.

prices and wages can be terminated by the end of that fiscal year without danger of inflation thereafter.

Report of shortages necessitating continuance of powers.

"(2) On or before April 1, 1947, the President shall report to the Congress what, if any, commodities or classes of commodities, including housing accommodations, are in such critically short supply as to necessitate, in his judgment, the continuance of the powers granted by this Act as to them after June 30, 1947, together with his recommendations as to established departments or agencies of the Government (other than the Office of Price Administration) which should be charged with the administration of such powers.

"(d) DECONTROL OF NONAGRICULTURAL COMMODITIES.—(1) On or before December 31, 1946, the Administrator shall decontrol all nonagricultural commodities not important in relation to business costs or living costs, and prior to that date shall proceed with such decontrol as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect. In no event shall maximum prices be maintained after December 31, 1946, for any nonagricultural commodity or class of commodities unless the same has been expressly found by the Administrator to be important in relation to business costs or living costs.

Maintenance of maximum prices after Dec. 31, 1946.

Removal of maximum prices.

"(2) The Administrator shall provide for the prompt removal of maximum prices in the case of any nonagricultural commodity whenever the supply thereof exceeds or is in approximate balance with the demand therefor (including appropriate inventory requirements).

Reestablishment of maximum prices.

"(3) Whenever, after a reasonable test period, it appears that the supply of a nonagricultural commodity which has been decontrolled is no longer consistent with the applicable decontrol standard, the Administrator, with the advance consent in writing of the Price Decontrol Board established under subsection (h), shall reestablish such maximum prices for the commodity, consistent with applicable provisions of law, as in his judgment may be necessary to effectuate the purposes of this Act. The supply of a nonagricultural commodity shall be deemed inconsistent with the applicable decontrol standard in any case where the prices of the commodity have risen to and after a reasonable test period remain at unreasonable and inflationary levels.

Post, p. 669.

Petroleum.

"(4) Nothing contained in this Act shall be construed to authorize the Administrator to impose or maintain price controls with respect to petroleum or petroleum products processed or manufactured in whole or substantial part from petroleum, except that, after August 20, 1946, maximum prices with respect thereto may be reestablished pursuant to the provisions of paragraph (3) of this subsection (d), but only under the standards prescribed in paragraph (8) (C) of subsection (e).

Certification of commodities in short supply.

"(e) AGRICULTURAL COMMODITIES.—(1) On the first day of the first calendar month which begins more than thirty days after the date of enactment of this section, the Secretary of Agriculture shall certify to the Price Administrator each agricultural commodity which such Secretary determines to be in short supply. Thereafter, on the first day of each succeeding calendar month the Secretary shall certify modifications of such certification by adding other agricultural commodities which have become in short supply and by removing from such certification such commodities which he determines are no longer in short supply. No maximum price shall be applicable with respect to any agricultural commodity during any calendar month which begins more than thirty days after the date of enactment of this section, unless such commodity is certified to the Price Administrator under this paragraph as being in short supply.

Recommendations by Secretary of Agriculture.
Adjustments in maximum prices.

"(2) (A) Whenever the Secretary of Agriculture determines that maximum prices applicable to any agricultural commodity which is in short supply are impeding the necessary production of such commodity, he may recommend to the Price Administrator such adjustments in such maximum prices as the Secretary determines to be necessary to attain the necessary production of such commodity.

Removal of maximum prices.

"(B) The Secretary of Agriculture by December 31, 1946, shall recommend to the Price Administrator the removal of maximum prices on all agricultural commodities, whether or not in short supply, not important in relation to business costs or living costs, and prior to that date shall make such recommendations as rapidly as, in his judgment, will be consistent with the avoidance of a cumulative and dangerous unstabilizing effect.

Adjustment, etc., by Price Administrator.

"(C) Within ten days after the receipt of any recommendation under this subsection for the adjustment of maximum prices applicable to any agricultural commodity, or for the removal of maximum prices on agricultural commodities not important in relation to business costs or living costs, the Price Administrator shall adjust or remove such maximum prices in accordance with such recommendations.

Reestablishment of maximum prices.

"(3) Whenever the Secretary of Agriculture determines that an agricultural commodity with respect to which maximum prices have been removed is in short supply and that the reestablishment of maximum prices with respect thereto is necessary to effectuate the purposes of this Act, the Secretary, with the written consent of the Price Decontrol Board, may recommend to the Administrator, and the Administrator shall establish, such maximum prices with respect to such commodity, consistent with applicable provisions of law, as in the judgment of the Secretary are necessary to effectuate the purposes of this Act.

"(4) For the purposes of this section (except subparagraph (6) of this subsection (d))—

"Short supply."

"(A) an agricultural commodity shall be deemed to be in short supply unless the supply of such commodity equals or exceeds the requirements for such commodity for the current marketing season;

"Agricultural commodity."

"(B) the term 'agricultural commodity' shall be deemed to mean any agricultural commodity and any food or feed product processed or manufactured in whole or substantial part from any agricultural commodity;

"Subsidy."
58 Stat. 635.
50 U. S. C., Supp. V, app. § 902 (e).
Ante, pp. 57, 214; *post*, p. 671.

"(C) the term 'subsidy' means any subsidy or purchase and sale operations described in the last paragraph of section 2 (e) of this Act.

Exercise of functions by Secretary of Agriculture.

"(5) Notwithstanding any other provision of this or any other law, except as provided in subsection (h), the Secretary of Agriculture, in exercising his functions under this Act, shall not be subject to the direction or control of any other appointive officer or agency in the executive branch of the Government, and no such officer or agency shall undertake to exercise any direction or control over the Secretary of Agriculture with respect to the exercise of such functions. The Secretary of Agriculture may at any time withdraw his approval of any action with respect to which his approval is required under this Act, and upon the withdrawal of his approval such action shall be rescinded.

Applicability of maximum prices, etc.
56 Stat. 765.
50 U. S. C., Supp. V, app. §§ 961–964, 965–971.
Ante, p. 664; *post*, p. 677.

"(6) No maximum price and no regulation or order under this Act or the Stabilization Act of 1942, as amended, shall be applicable with respect to any agricultural commodity, or any service rendered with respect to any agricultural commodity, unless a regulation or order establishing a maximum price with respect to such commodity had been issued under this Act prior to April 1, 1946.

"(7) No maximum price and no regulation or order under this Act or the Stabilization Act of 1942, as amended, shall be applicable with respect to poultry or eggs or food or feed products processed or manufactured in whole or substantial part therefrom, or in the case of leaf tobacco or tobacco products processed or manufactured in whole or substantial part therefrom, except that, after August 20, 1946, maximum prices with respect thereto may be reestablished pursuant to the provisions of paragraph (3) of this subsection (e), but only under the standards prescribed in paragraph (8) (C) of this subsection (e).

Poultry, etc.
56 Stat. 765.
50 U. S. C., Supp. V, app. §§ 961-964, 965-971.
Ante, p. 664; *post*, p. 677.
Tobacco.

"(8) (A) No maximum price and no regulation or order under this Act or the Stabilization Act of 1942, as amended, shall be applicable prior to August 21, 1946, with respect to livestock, milk, or food or feed products processed or manufactured in whole or substantial part from livestock or milk; with respect to cottonseed or soybeans, or food or feed products processed or manufactured in whole or substantial part from cottonseed or soybeans; with respect to grains for which standards have been established under the United States Grain Standards Act, as amended, or any livestock or poultry feed processed or manufactured in whole or substantial part therefrom.

Livestock and milk.
Supra.
Cottonseed or soybeans.
Grains.
39 Stat. 482.
7 U. S. C. §§ 71-87.

"(B) The Price Decontrol Board shall proceed forthwith to consider whether the commodities listed in subparagraph (A) shall continue, after August 20, 1946, to be free from regulation under this Act and the Stabilization Act of 1942, as amended. Such Board, after due notice of a public hearing and full opportunity for representatives of affected industries and consumers to present their views orally or in writing, shall have power to determine whether or not any commodity listed in subparagraph (A) shall be regulated after August 20, 1946, under this Act and the Stabilization Act of 1942, as amended. Such Board shall direct that any such commodity shall not be so regulated unless it finds:

Powers, etc., of Price Decontrol Board.
Supra.
Regulation of commodities.
56 Stat. 765.
50 U. S. C., Supp. V, app. §§ 961-964, 965-971.
Ante, p. 664; *post*, p. 677.

"(i) that the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable with respect thereto as of June 29, 1946, and

"(ii) that such commodity is in short supply and that its regulation is practicable and enforceable, and

"(iii) that the public interest will be served by such regulation.

If in the case of any commodity listed in subparagraph (A) such Board fails to direct, on or before August 20, 1946, that such commodity shall not be regulated under this Act and the Stabilization Act of 1942, as amended, maximum prices and regulations and orders under such Acts shall be applicable with respect to such commodity without regard to this paragraph (8).

Supra.

"(C) If in the case of any commodity listed in subparagraph (A) such Board, on or before August 20, 1946, does direct that such commodity shall not be regulated under such Acts, the Board may at any subsequent time direct that such commodity shall be so regulated if it finds:

"(i) that the price of such commodity has risen unreasonably above a price equal to the lawful maximum price in effect on June 30, 1946, plus the amount per unit of any subsidy payable with respect thereto as of June 29, 1946; and

"(ii) that such commodity is in short supply and that its regulation is practicable and enforceable; and

"(iii) that the public interest will be served by such regulation.

Thereafter, the provisions of such Acts and regulations and orders

thereunder shall be applicable with respect to such commodity without regard to this paragraph (8).

Milk.

"(D) In the case of milk, the Board may consider and determine decontrol or recontrol on a regional basis.

Reestablishment of subsidies.

"(9) The Price Decontrol Board shall also have power to determine, when maximum prices are in effect with respect to any commodity listed in paragraph (8) (A), whether any subsidy or any part thereof in effect prior to June 30, 1946, shall be reestablished in whole or in part; and the powers of the Administrator, the Commodity Credit Corporation, and the Reconstruction Finance Corporation to pay subsidies in connection with such commodity shall be limited in accordance with any order of the Board.

Powers of CCC, RFC, etc., limitation.

Maintenance of maximum price for manufactured commodities, etc.

"(10) Whenever maximum prices are in effect for any commodity processed or manufactured in whole or substantial part from any commodity listed in paragraph (8) (A) with respect to which maximum prices are not in effect, no maximum price, and no margin, mark-up, or discount, shall be maintained with respect to such processed or manufactured commodity which does not return to the processors, manufacturers, and distributors thereof (A) the raw material cost (which must be computed at least once every sixty days at not less than the current cost), (B) the conversion or distribution cost, and (C) a reasonable profit.

"(f) SAVING PROVISION.—Nothing in this section shall limit the Administrator's authority to remove maximum prices for any nonagricultural commodity, or any agricultural commodity with the approval of the Secretary of Agriculture, at an earlier time than would be required by this section, if in his judgment or in the judgment of the Secretary of Agriculture, as the case may be, such action would be consistent with the purposes of this section.

Filing of petition by industry advisory committee.

56 Stat. 24.
50 U. S. C., Supp. V, app. § 902 (a).
Post, p. 670.

"(g) PETITIONS FOR DECONTROL.—(1) If in the judgment of the industry advisory committee appointed by the Administrator in accordance with section 2 (a) of this Act to advise and consult with respect to a commodity, the standards set forth in this section require the removal of maximum prices for such commodity, it may file a petition for the removal of such maximum prices. In the case of any nonagricultural commodity, such petition shall be filed with the Administrator in accordance with regulations prescribed by him.

Nonagricultural commodities.

Agricultural commodities.

In the case of agricultural commodities, such petition shall be filed with the Secretary of Agriculture in accordance with regulations prescribed by him and shall request that he make an appropriate certification or recommendation to the Price Administrator. The petition shall specifically state the grounds upon which the committee believes such action to be required and shall be accompanied by affidavits or other written evidence in support thereof.

Action on petition.

"(2) Within fifteen days after receiving a petition filed in accordance with the provisions of this subsection, the Administrator or the Secretary of Agriculture, as the case may be, shall either grant the petition or inform the committee in writing why in his judgment the standards for decontrol stated in subsections (d) and (e) have not been satisfied with respect to the commodity involved. If the petition is not granted in full, the Administrator or the Secretary, as the case may be, shall, within ten days after the receipt of a request by the committee for further consideration of its petition, hold a hearing before himself or before a deputy administrator (or, in the case of the Secretary, before such officer as he may designate) at which the committee may present its argument in support of the petition. The Consumers Advisory Committee and the Labor Advisory Committee appointed by the Administrator shall be given

Ante, p. 665.

Hearing.

Notice to designated committees.

notice of any such hearing and an opportunity to present their views with respect to the petition and may, not later than five days prior to such hearing, present in writing evidence relating thereto. Within fifteen days after such hearing, the Administrator or the Secretary, as the case may be, shall either grant the petition in full or furnish the industry advisory committee with a statement in writing of his reasons for denying it in whole or in part together with a statement of any economic data or other facts of which he has taken official notice in connection with such denial.

Petition for review.

"(3) At any time within thirty days after the denial in whole or in part, following a hearing, of a petition filed under this subsection, the petitioning industry advisory committee may petition the Price Decontrol Board established under subsection (h) for a review of the action of the Administrator or the Secretary of Agriculture. If the Administrator or the Secretary, as the case may be, fails to act upon a petition within the time prescribed by paragraph (2), the industry advisory committee may, at any time within thirty days after the expiration of the time so prescribed, petition the Price Decontrol Board for the removal of maximum prices on the commodity involved.

Petition for removal of maximum prices.

Right to protest.

"(4) Nothing in this section shall be construed to take away or impair any right of any person to protest, in accordance with the provisions of sections 203 and 204 of this Act, the further maintenance of maximum prices for a commodity under the standards of subsection (d) or (e): *Provided*, That the filing of such a protest or of a petition under paragraph 3 of this subsection shall not be grounds for staying any proceeding brought pursuant to section 205 of this Act or section 37 of the Criminal Code, and no retroactive effect shall be given to any judgment setting aside a provision of a regulation, order, or price schedule under the standards set forth in this section.

56 Stat. 31.
50 U. S. C., Supp. V, app. §§ 923, 924.
Ante, p. 665.

56 Stat. 33; 35 Stat. 1096.
50 U. S. C., Supp. V, app. § 925; 18 U. S. C. § 88.
Post, pp. 676, 677.

"(h) PRICE DECONTROL BOARD.—(1) There is hereby established as an independent agency in the executive branch of the Government a Price Decontrol Board, to be composed of three members appointed by the President by and with the advice and consent of the Senate. Not more than two members of the Board shall be members of the same political party. Two members of the Board shall constitute a quorum, and a vacancy in the membership of the Board shall not impair the power of the remaining members to exercise its functions. Members of the Board shall receive compensation at the rate of $12,000 a year.

Establishment, etc.
Post, p. 915.

Compensation.

"(2) The Board shall appoint and fix the compensation of a secretary for the Board and such other officers and employees as may be necessary to enable it to perform its functions. The Board may make such expenditures as may be necessary for performing its functions. The Board may, with the consent of the head of the department or agency concerned, utilize the facilities, services, and personnel of other agencies or departments of the Government. The Board shall maintain an office in charge of its secretary in the District of Columbia, which shall be open on all business days for the receipt of petitions for review and the transaction of other business of the Board. The Board shall prescribe regulations and procedures for the conduct of its business which will provide for summary disposition, with the utmost expedition consistent with sound decision, of petitions filed with the Board.

Officers and employees.

Expenditures, etc.

Office in D. C.

Regulations and procedures.

"(3) A petition made under subsection (g) (3) shall specifically state the grounds upon which the petitioning industry advisory committee believes that maximum prices on the commodity involved should be removed. A copy of such petition shall forthwith be served on the

Petition.

Administrator or the Secretary, as the case may be, who shall within such time as may be fixed by the Board certify and file with the Board a transcript of such portions of the proceedings in connection with the petition under subsection (g) as are material. Such transcript shall include a statement in writing of the Administrator's or Secretary's reasons for believing that maximum prices on the commodity involved should not be removed, together with a statement of any economic data or other facts of which he has taken official notice. At the earliest practicable time the Board shall conduct a hearing upon the petition, at which the Administrator or the Secretary, as the case may be, and the committee shall be given an opportunity to present their views and argument orally or in writing. If application is made to the Board by either party for leave to introduce additional evidence, the Board may permit such evidence to be introduced or filed with it if it deems it material and determines that such evidence could not reasonably have been offered or included in the proceedings under subsection (g). At the earliest practicable time after the hearing on any petition, the Board shall make and issue an order specifying the extent, if any, to which maximum prices on the commodity involved shall be removed. The Board shall order the removal of such maximum prices if and to the extent that in its judgment the standards of decontrol stated in subsection (d) or (e) have been satisfied with respect to the commodity involved. The Administrator shall remove maximum prices with respect to the commodity in question within such time and to such extent as shall be specified in the order of the Board. Orders of the Board shall not be subject to modification or review by any other department or agency or by any court.

Hearing.

Order specifying extent of removal of maximum prices.

Ante, p. 665.

"(4) No petition may be filed with the Board with respect to any commodity within a period of three months after the issuance of an order of the Board with respect to the same commodity.

Filing of petition, restriction.

"(5) The members of the Board may serve as such without regard to the provisions of sections 109 and 113 of the Criminal Code (18 U. S. C., secs. 198 and 203) or section 19 (e) of the Contract Settlement Act of 1944, except insofar as such sections may prohibit any such member from receiving compensation in respect of any particular matter which is within the jurisdiction of the Board.

Service of Board members.

35 Stat. 1107, 1109; 58 Stat. 668.
18 U. S. C., Supp. V, § 198 note; 41 U. S. C., Supp. V, § 119.

"(6) If the number of petitions filed with the Board should at any time become so great as to prevent the Board from promptly conducting hearings upon such petitions, the Board shall appoint such hearing commissioners as it deems necessary in order to expedite the transaction of its business. The Board may authorize one or more of the hearing commissioners so appointed to conduct the hearing upon any petition under this subsection and to exercise the authority of the Board with respect to such hearing. After a hearing conducted before a hearing commissioner, the commissioner shall make recommendations consistent with this subsection to the Board concerning its action with respect to the petition. If the Board approves such recommendations, it shall issue an order in conformity therewith. If the Board does not approve such recommendations, the Board may issue such order as it deems proper upon the record or may conduct a new hearing upon the petition before the Board."

Hearing commissioners.

SEC. 4. Section 2 (a) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new sentence: "In administering the provisions of this subsection relating to the establishment of industry advisory committees, the Administrator, upon the request of a substantial portion of the industry in any region, shall promptly appoint a regional industry advisory committee for such region."

56 Stat. 24.
50 U. S. C., Supp. V, app. § 902 (a).
Appointment of regional industry advisory committee.

SEC. 5. Section 2 (b) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

56 Stat. 25.
50 U. S. C., Supp. V, app. § 902 (b).

"After the date upon which this paragraph takes effect, the Administrator, when establishing rent ceilings on hotels or when passing upon applications for adjustments of rent ceilings on hotels, is authorized to take into consideration the distinction between transient hotels and residential or apartment hotels, including the difference in the investment, operation, expenses, and mechanical details of operation between the transient hotels and the residential and apartment hotels, and is directed to classify separately by regulation (1) transient hotels, (2) residential and apartment hotels, and (3) tourists courts, rooming houses, and boarding houses.

Rent ceilings on hotels.

"While maximum rents are in effect under this Act with respect to housing accommodations in any defense-rental area, such housing accommodations shall not be subject to rent control by any State or local government."

Defense-rental areas.

SEC. 6. (a) The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, shall not apply with respect to operations for the fiscal year ending June 30, 1947, of the Commodity Credit Corporation and the Reconstruction Finance Corporation: *Provided*, That with respect to such corporations and such operations, the making of subsidy payments and buying for resale at a loss shall be limited as follows:

Operations of CCC and RFC.
58 Stat. 635.
50 U. S. C., Supp. V, app. § 902 (e).
Ante, pp. 57, 214.

Subsidy payments, etc., limitations.

Payments and purchases may be made with respect to operations for the fiscal year ending June 30, 1947, which involve subsidies and anticipated losses as follows:

(1) With respect to rubber produced in Latin America and Africa for which commitments were made before January 1, 1946, $31,000,000.

Rubber.

(2) With respect to copper, lead, and zinc, in the form of premium price payments, $100,000,000: *Provided*, That (A) premiums shall be paid on ores mined or removed from mine dumps or tailing piles before July 1, 1947, though shipped and/or processed and marketed subsequently thereto; and that (B) the premium price plan for copper, lead, and zinc shall be extended until June 30, 1947, on terms not less favorable to the producer than heretofore and (i) adjustments shall be made to encourage exploration and development work, (ii) adequate allowances shall be made for depreciation and depletion, and (iii) all classes of premiums shall be noncancelable unless necessary in order to make individual adjustments of income to specific mines.

Copper, lead, zinc.
Premiums.
Adjustments.

(3) With respect to purchases by the Reconstruction Finance Corporation, of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

Tin ores.

(4) With respect to noncrop programs, 1946 crop program operations and the 1947 crop program operations relating to sugar, flour, petroleum, petroleum products, and other domestic and imported materials and commodities, $869,000,000: *Provided*, That the operations authorized under this subparagraph (4) shall be progressively reduced, shall be terminated not later than April 1, 1947, and shall not cost more than $629,000,000 during the last six months of the calendar year 1946. Operations shall not be carried out under authority of this subparagraph (4) with respect to any commodity for any period occurring after the date of the enactment of this Act during which maximum prices on such

Sugar, flour, petroleum, etc.
Reduction, etc., of operations.

56 Stat. 23, 765.
50 U. S. C., Supp. V, app. §§ 901–922, 923–946, 961–964, 965–971.
Ante, pp. 57, 214, 664 *et seq.*; *post*, p. 673 *et seq.*
Restrictions.

commodity are not in effect under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended: *Provided*, That subsidies with respect to petroleum produced from stripper wells shall be continued at not to exceed the existing rates. No subsidy or purchase and sale operation shall be undertaken under authority of this subparagraph (4) with respect to any commodity unless a subsidy or purchase and sale operation with respect to such commodity was in effect on June 29, 1946; and no such operation shall be undertaken under authority of this subparagraph (4) which will increase the rate of subsidy paid or the rate of loss incurred with respect to any commodity above that which would be paid or incurred if the operations in effect on June 29, 1946, had been continued on the same basis.

Increase of maximum price when subsidy is reduced, etc.

(b) When any direct or indirect subsidy to an industry is reduced or terminated, or upon recontrol is not restored or is restored only in part, any maximum price applicable to the product affected shall be correspondingly increased, except in the case of transportation subsidies, differential subsidies to high-cost producers, and premium payments under authority of the Veterans' Emergency Housing Act of 1946.

Ante, p. 207.

Roll-back subsidies.

(c) Where roll-back subsidies have previously been or presently are in effect, and have been discontinued, or shall hereafter be discontinued, the industries which have received such subsidies shall be permitted to increase their ceiling prices at least an amount equivalent to the amount of the discontinued roll-back subsidy. Such price increase shall become effective either upon discontinuance of the roll-back subsidy or upon passage of this Act, whichever date is the later. For the purposes of this paragraph, the term "roll-back subsidies" means subsidy payments, or purchases and sales of a commodity at a loss by the Government of the United States (including any Government-owned or controlled corporation), or contracts therefor, which resulted directly or indirectly in the lowering of ceiling prices below the maximum price levels established by the Office of Price Administration prior to the institution of the subsidy payments or purchases and sales at a loss, or the execution of the contracts therefor, whichever date is the earlier.

Definition.

Designated laws not affected.
59 Stat. 50, 260, 506; *ante*, p. 57.
7 U. S. C., Supp. V, § 1381 note; 15 U. S. C., Supp. V, §§ 713–713a–4, 606b note.

(d) Nothing in this section shall be construed to affect the provisions of Public Laws 30, 88, 164, and 328 of the Seventy-ninth Congress, or to prevent the use of the sums authorized in such laws to fulfill obligations incurred prior to July 1, 1946, with respect to operations prior to such date.

Crop program operations with respect to sugar.

(e) Notwithstanding any of the foregoing provisions of this section 6, 1946 and 1947 crop program operations with respect to sugar, may, while maximum prices are in effect with respect to sugar, be continued until such crops are processed and distributed, and the cost of 1946 crop program operations with respect to sugar may be charged to the funds authorized by Public Law 30, Seventy-ninth Congress, as amended by Public Law 328, Seventy-ninth Congress. For the purpose of this section 6, no subsidy program operation on sugar shall be considered to be a new subsidy: *Provided*, That Commodity Credit Corporation or any other Government agency shall not absorb any increase in the price paid for Cuban sugar over 3.675 cents per pound, raw basis, f. o. b. Cuba, as being paid for such sugar, in Cuba, on June 30, 1946.

59 Stat. 50; *ante*, p. 57.
7 U. S. C., Supp. V, § 1381 note; 15 U. S. C., Supp. V, §§ 713–713a–4.
Cuban sugar.

Veterans' housing.

(f) Nothing in this section shall be construed as a limitation upon operations authorized by the Veterans' Emergency Housing Act of 1946; and nothing in this Act or in any other Act shall prohibit the establishment of maximum sales prices or maximum rents for housing accommodations for which materials or facilities are allocated, or

Ante, p. 207.

priorities for delivery thereof issued, under said Veterans' Emergency Housing Act of 1946.

SEC. 7. Section 2 (i) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows:

56 Stat. 27.
50 U. S. C., Supp. V, app. § 902 (i).

"(i) For the purposes of this Act and the Stabilization Act of 1942, as amended, fish and other sea food shall be deemed to be agricultural commodities, and commodities processed or manufactured in whole or substantial part from fish or other sea foods shall be deemed to be manufactured in whole or substantial part from agricultural commodities: *Provided*, That the provisions of section 3 of the Stabilization Act of 1942, as amended, shall not be applicable with respect to fish and other sea foods and commodities processed or manufactured in whole or substantial part therefrom, but the maximum price established for any fish or sea food commodity or for any commodity processed or manufactured in whole or substantial part therefrom shall not be below the average price therefor in the year 1942."

Sea food.
56 Stat. 765.
50 U. S. C., Supp. V, app. §§ 961–964, 965–971.
Ante, p. 664; *post*, p. 677.

56 Stat. 766.
50 U. S. C., Supp. V, app. § 963.
Post, p. 677.

SEC. 8. Section 2 (j) of the Emergency Price Control Act of 1942, as amended, is amended by inserting before the period at the end thereof a semicolon and the following: "or (5) as authorizing any regulation or order of the Administrator to fix a quantity or percentage of any product which any seller may sell to any buyer".

Fixing of quantity, etc., for sale to buyer.
57 Stat. 566.
50 U. S. C., Supp. V, app. § 902 (j).

SEC. 9. Section 2 (k) of the Emergency Price Control Act of 1942, as amended, is amended by inserting the words "or any operator of any service establishment" after the words "seller of goods at retail".

Highest price line limitation.
58 Stat. 636.
50 U. S. C., Supp. V, app. § 902 (k).

SEC. 10. Section 2 of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new subsections:

56 Stat. 24.
50 U. S. C., Supp. V, app. § 902.
Ante, pp. 57, 214, 670, 671; *supra*.

"(o) No maximum price shall be applicable to any item served in any restaurant or other eating establishment if such item consists in whole or major part of a commodity to which no maximum price is applicable with respect to sales to restaurants and other eating establishments, unless the maximum price of such item, when sold by such restaurant or other eating establishment, is determined, under the applicable maximum price regulation or order, by the addition of a customary margin to the acquisition cost of such item.

Restaurants, maximum prices.

"(p) After July 1, 1946, no maximum price regulation or order shall be issued or continued in effect requiring any seller to limit his sales by any weighted average price limitation based on his previous sales.

Issuance of designated regulations, restriction.

"(q) In the case of any retail industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities the production or retail distribution of which has been reduced, for a period of three years beginning on or after March 2, 1942, by 75 per centum or more below such production or retail distribution for the calendar years 1939 to 1941, inclusive, as a result of the operation of any governmental regulation or restriction, the Administrator shall not, in establishing maximum prices under this section, reduce established peacetime retail trade discounts or mark-ups or dealer handling charges for any such commodity before the retail unit sales of such commodity for a period of six months shall have reached the average annual retail unit sales thereof for the calendar years 1939 to 1941, inclusive.

Certain retail industries.
Reduction of peacetime discounts, etc., restriction.

"(r) In the case of any wholesale industry, the principal sales of which consisted during the calendar years 1939 to 1941, inclusive, of sales of a commodity or commodities, the production or wholesale distribution of which has been reduced for a period of three years beginning on or after March 2, 1942, by 75 per centum or more below such production or wholesale distribution for the calendar years 1939 to

Certain wholesale industries.
Reduction of established discounts, etc., restriction.

1941, inclusive, as the result of the operation of any governmental regulation or restriction, the Administrator shall not in establishing maximum prices under this section reduce established wholesale trade discounts or normal wholesale mark-ups for any such commodity prevailing on March 2, 1942, before the wholesale unit sales of such commodity for a period of six months shall have reached the average annual wholesale unit sales thereof for the calendar years 1939 to 1941, inclusive.

Manufactured, etc., commodities.
Reduction of peacetime discounts, etc., restriction.

"(s) No maximum price regulation or order shall require the reduction of the established peacetime discounts or mark-ups for the sale of any manufactured or processed commodity (treating as a single commodity for the purposes of this paragraph all commodities in a line of related commodities which, for the purpose of establishing manufacturers' and processors' maximum prices, have been placed by the Office of Price Administration under a single regulation) if the retail, wholesale, or other distributive trade selling such commodity shows that the commodity constituted approximately one-half or more of the gross sales income of a majority of the persons engaged in such trade in 1945 and that, in the first quarter of 1946, the deliveries of such commodity to such distributive trade were less than 100 per centum of the deliveries thereof in the corresponding quarter of 1945.

Wholesale or retail distributors.

"(t) In establishing maximum prices applicable to wholesale or retail distributors, the Administrator shall allow the average current cost of acquisition of any commodity, plus such average percentage discount or mark-up as was in effect on March 31, 1946.

New commodities used to reduce cost of production, etc.

"(u) After the date upon which this subsection takes effect, no maximum price shall be established or maintained, under this Act or under any other provision of law, with respect to any new commodity when the Administrator upon application finds that its use, in the production, manufacturing, or processing of any commodity or commodities, without increasing the cost to the ultimate user, either increases the life or reduces the cost of production, manufacture, or processing of the commodity or commodities produced, manufactured or processed. As used in this subsection the term 'new commodity' means a commodity which was not commercially or industrially available prior to January 30, 1942.

Definition

Softwood logs and lumber.

"(v) In the case of softwood logs and lumber, the maximum prices shall be established at a level which will permit producers of at least 90 per centum of the production of softwood logs and lumber to recover their current costs of production.

Cotton fabrics.

"(w) In establishing maximum prices for sales of finished woven or knitted fabrics made primarily of cotton fiber or for the sales of apparel made therefrom it shall be unlawful for the Administrator to establish or maintain differentials in the method of determining the basic grey-goods cost or the finished-woven-fabrics or finished-knitted-fabrics cost to which a mark-up is to be applied based on the degree of integration of the seller.

Removal of maximum purchase prices from essential imports, etc.

"(x) Whenever the world price of a commodity essential to the economy of the United States (average price at which such commodity could be purchased when landed duty paid at any United States port of entry) exceeds the maximum purchase price established by the Administrator, and results in—

"(1) an actual reduction of the importation of such commodity into the United States in an amount substantial in relation to the total consumption of the commodity in the United States; or

"(2) the substantial curtailment or restriction of the domestic trade in such commodity or products processed directly therefrom,

the Administrator shall, in order to maintain and increase domestic

production and employment and to make possible the balancing of supply and demand, promptly remove maximum purchase prices from imports of such commodity and maximum prices from products processed directly therefrom, or increase the maximum prices of imports of such commodity and of products processed directly therefrom to the extent necessary to prevent such reduction in importation or curtailment of domestic trade."

SEC. 11. The Emergency Price Control Act of 1942, as amended, is amended by inserting after section 5 thereof the following new section:

56 Stat. 28.
50 U. S. C., Supp. V, app. § 905.

"SEC. 6. (a) For the purposes of this section the base period shall be the calendar year 1940, or in the case of an industry customarily keeping its accounts on a fiscal year basis, the industry's fiscal year 1940.

Base period.

"(b) In order that adequate general price levels shall be established for all commodities to bring about maximum production and employment, no maximum prices shall be established or maintained for any product of a producing, manufacturing, or processing industry (including any industry furnishing service or transportation the charges for which are subject to the Administrator's control) which do not return on the average to the industry not less than the average dollar price of such product during the base period, plus the average increase in cost of producing, manufacturing, or processing the same accruing since the base period, but the maximum prices for a product shall be deemed in compliance with this standard if such prices on the average are equal to the average current total cost of the product plus the industry's average over-all profit margin on sales in the base period.

Establishment of adequate price levels.

Maximum prices deemed in compliance with standard.

"(c) For the purpose of determining costs under this section, currently or for the base period, the Administrator shall ascertain the costs of a reasonable number of typical producers, manufacturers, or processors and shall follow accepted methods of accounting and such fair and reasonable methods of calculation as he shall establish by regulation, including adjustments for temporary cost abnormalities which may be reasonably anticipated to be eliminated within the three months following the Administrator's determination, and adjustments for increases in the volume of production which may be reasonably anticipated to be experienced within such three-month period.

Determination of costs.

"(d) Maximum prices established hereunder shall not be held invalid on account of their failure to return his costs to any particular member of any group involved.

Maximum prices not held invalid.

"(e) Nothing herein shall nullify the power of the Administrator to make reasonable adjustments and exceptions in individual cases under the provisions of section 2 (c) of this Act.

Individual adjustments and exceptions.
56 Stat. 26.
50 U. S. C., Supp. V, app. § 902 (c).

"(f) If the maximum prices of a product on the average equal its average current total cost plus a reasonable profit, nothing herein shall require any further adjustment of such maximum prices for any period with respect to which it appears that a substantial expansion in the production or use of the product would not be practicable or would be practicable only by reducing the production of at least equally needed products.

Nonadjustment for designated period.

"(g) As used in this section, 'product' shall mean any major item, or any article different in character from other products of the industry; but all the styles, models, or other varieties of any such item or article shall be considered as one product.

"Product."

"(h) The provisions of this section shall not apply with respect to any maximum price applicable to manufacturers or processors in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn.

Manufacturers of cotton or wool products.

Adjustments in maximum prices.

"(i) Nothing in this section shall be construed to require any adjustment in maximum prices except pursuant to an application filed under this paragraph, or be construed to invalidate any maximum price unless there is a failure to make adjustments, in accordance with the procedure prescribed in this paragraph, to such extent as may be required to comply with the standards set forth in this section. Any industry advisory committee may apply to the Administrator for the adjustment of the maximum prices applicable to any product in accordance with the standards set forth in this section, and shall present with the application comprehensive evidence with respect to costs and prices. The Administrator shall consider the evidence so presented and all evidence otherwise available to him and, within sixty days after the receipt of such application, he shall make the adjustments in maximum prices required by this section, or, if he finds that no such adjustments are required, he shall deny the application. If the Administrator neither makes the adjustments in the maximum prices for any product required by this section, nor denies the application for such adjustments, within the sixty-day period prescribed in this paragraph, the industry advisory committee concerned may petition the Emergency Court of Appeals, created pursuant to section 204, for relief; and such court shall have jurisdiction by appropriate order to require the Administrator to make such adjustments or deny such application within such time, not to exceed thirty days, as may be fixed by the court. If the Administrator fails to make such adjustments or deny such application within the time so fixed, no maximum price shall thereafter be applicable with respect to any sale of such product by any seller."

Application by industry advisory committee.

56 Stat. 31.
50 U. S. C., Supp. V, app. § 924.

SEC. 12. (a) The second sentence of section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: "In any action under this subsection, the seller shall be liable for reasonable attorney's fees and costs as determined by the court, plus whichever of the following sums is greater: (1) Such amount not more than three times the amount of the overcharge, or the overcharges, upon which the action is based as the court in its discretion may determine, or (2) an amount not less than $25 nor more than $50, as the court in its discretion may determine: *Provided, however*, That such amount shall be the amount of the overcharge or overcharges if the defendant proves that the violation of the regulation, order, or price schedule in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation."

56 Stat. 34.
50 U. S. C., Supp. V, app. § 925 (e).
Liability of seller.

Amount if violation not willful, etc.

(b) Section 205 (e) of the Emergency Price Control Act of 1942, as amended, is amended by adding at the end thereof the following new paragraphs:

56 Stat. 34.
50 U. S. C., Supp. V, app. § 925 (e).
Supra.

"The Administrator may not institute any action under this subsection on behalf of the United States, or, if such action has been instituted, the Administrator shall withdraw the same—

Withdrawal, etc., of action on behalf of U. S.

"(1) if the violation arose because the person selling the commodity acted upon and in accordance with the written advice and instructions of the Administrator or any regional administrator or district director of the Office of Price Administration; or

"(2) if the violation arose out of the sale of a commodity to any agency of the Government, or to any public housing authority whose operations are supervised or financed in whole or in part by any agency of the Government, and such sale was made pur-

suant to the lowest bid made in response to an invitation for competitive bids.

Enforcement action against manufacturer of apparel.

"The Administrator shall not institute or maintain any enforcement action under this subsection against any manufacturer of apparel items where the Administrator shall determine (1) that the transactions on which such proceeding is based consisted of the manufacturer's selling such an item at his published March 1942 price list prices instead of his March 1942 delivered prices, and (2) that the seller's customary pricing patterns for related apparel items would be distorted by a requirement that his ceilings be the March 1942 delivered prices. The Administrator's determinations under this paragraph shall be subject to review by the Emergency Court of Appeals in accordance with sections 203 and 204."

56 Stat. 31.
50 U. S. C., Supp. V, app. §§ 923, 924.

SEC. 13. The third sentence of paragraph (2) of section 205 (f) of the Emergency Price Control Act of 1942, as amended, is amended to read as follows: "If any such court finds that such person has violated any of the provisions of such license, regulation, order, price schedule, or requirement after the receipt of the warning notice, such court shall issue an order suspending the license to the extent that it authorizes such person to sell the commodity or commodities in connection with which the violation has occurred, or to the extent that it authorizes such person to sell any commodity or commodities with respect to which a regulation or order issued under section 2, or a price schedule effective in accordance with the provisions of section 206, is applicable; but no suspension shall be for a period of more than twelve months, and if the defendant proves that the violation in question was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation, then in that event no suspension shall be ordered or directed."

56 Stat. 35.
50 U. S. C., Supp. V, app. § 925 (f) (2).

Suspension of license.

56 Stat. 24.
50 U. S. C., Supp. V, app. § 902.
Ante, pp. 57, 214, 670, 671, 673.
56 Stat. 35.
50 U. S. C., Supp. V, app. § 926.

SEC. 14. Section 3 of the Stabilization Act of 1942, as amended, is amended by adding at the end thereof the following new paragraph:

56 Stat. 766.
50 U. S. C., Supp. V, app. § 963.

Maximum prices on cotton or wool products, restriction.

"On and after the date of the enactment of this paragraph, it shall be unlawful to establish, or maintain, any maximum price applicable to manufacturers or processors, for any major item in the case of products made in whole or major part from cotton or cotton yarn or wool or wool yarn, unless the maximum price for such major item is fixed and maintained at not less than the sum of the following:

"(1) The cotton or wool cost (which must be computed at not less than the parity price or the current cost, whichever is greater, of the grade and staple of cotton or wool used in such item, delivered at the mill);

"(2) A weighted average of mill conversion costs; and

"(3) A reasonable profit (which shall not be less than a weighted average profit for each unit of such item equal to the weighted average of the profit earned on an equivalent unit of such item during the period 1939 to 1941, both inclusive)."

Allocation of feed.

SEC. 15. The Secretary of Agriculture, through the Commodity Credit Corporation or otherwise, is hereby authorized to allocate feed which he controls to feeders of livestock and poultry in domestic areas which he may determine to be in an emergency shortage condition with respect to animal and poultry feed.

Purchase of wheat by CCC.
56 Stat. 176.
50 U. S. C., Supp. V, app. §§ 631-645a.
Ante, pp. 345, 346; *post*, p. 868.

SEC. 16. (a) In the event producers of wheat are required by an order issued pursuant to the Second War Powers Act, 1942, as amended, to sell all or any part of wheat delivered to an elevator prior to April 1, 1947, the Commodity Credit Corporation shall offer to purchase the wheat so required to be sold at a price determined as follows: The purchase price paid for the wheat shall be the market price at the

Election of date by producer.

point of delivery as of any date the producer may elect between the date of delivery and March 31, 1947, inclusive: *Provided, however*, That only one election may be made for each lot of wheat: *And provided further*, That the producer may not elect a date prior to the date on which he mails a written notice to Commodity Credit Corporation of his election. In the event the producer does not notify Commodity Credit Corporation in writing by March 31, 1947, of his election of a date for determining the market price, such date shall be deemed to be March 31, 1947.

Wheat previously sold.

(b) Any producer of wheat who, prior to the date of enactment of this Act, has sold any wheat pursuant to the requirements of paragraph (ee) (1) of War Food Order Numbered 144, may, at any time within thirty days after the date of enactment of this Act, pay to the Commodity Credit Corporation a sum equal to the amount for which he sold such wheat. Any producer paying any such sum to the Commodity Credit Corporation shall be deemed to have sold and delivered to the Commodity Credit Corporation as of the date he pays such sum a quantity of wheat equal in grade and quality to the quantity sold by him pursuant to such requirements and the purchase price to be paid to him for such wheat shall be determined in the same manner as in the case of a sale of wheat to the Commodity Credit Corporation pursuant to the provisions of subsection (a) of this section.

Short title.

SEC. 17. This Act may be cited as the "Price Control Extension Act of 1946."

Effective date, etc.

56 Stat. 23, 26.
50 U. S. C., Supp. V, app. §§ 901–922, 923–946.
Ante, pp. 57, 214, 664 *et seq.*
56 Stat. 765.
50 U. S. C., Supp. V, app. §§ 961–964, 965–971.
Ante, pp. 664, 677.

SEC. 18. (1) The provisions of this Act shall take effect as of June 30, 1946, and (2) all regulations, orders, price schedules, and requirements under the Emergency Price Control Act of 1942, as amended (except regulations or requirements under section 2 (e) thereof relating to meat, flour, or coffee), and the Stabilization Act of 1942, as amended, which were in effect on June 30, 1946, shall be in effect in the same manner and to the same extent as if this Act had been enacted on June 30, 1946, and (3) any proceeding, petition, application, or protest which was pending under the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, on June 30, 1946, shall be proceeded with and shall be effective in the same manner and to the same extent as if this Act had been enacted on June 30, 1946: *Provided*, That in any case in which the Emergency Price Control Act of 1942, as amended (except sections 204 and 205), or the Stabilization Act of 1942, as amended (except sections 8 and 9), or any regulation, order, or requirement under either of such Acts, prescribes any period of time within which any act is required or permitted to be done, and such period had commenced but had not expired on June 30, 1946, such period is hereby extended for a number of days equal to the number of days from July 1, 1946, to the date of enactment of this Act, both inclusive: *Provided further*, That no act or transaction, or omission or failure to act, occurring subsequent to June 30, 1946, and prior to the date of enactment of this Act shall be deemed to be a violation of the Emergency Price Control Act of 1942, as amended, or the Stabilization Act of 1942, as amended, or of any regulation, order, price schedule, or requirement under either of such Acts: *Provided further*, That insofar as the provisions of this Act require the Administrator to make any change in any maximum price, such provisions shall not be deemed to require such change to be made before the thirtieth day following the date of enactment of this Act.

Extension of period.

56 Stat. 31, 33.
50 U. S. C., Supp. V, app. §§ 924, 925.
Ante, pp. 676, 677.
56 Stat. 767, 768.
50 U. S. C., Supp. V, app. §§ 968, 969.

Nonviolations.

Supra.

Time restriction on change in maximum price.

Approved July 25, 1946.