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Time limitation.

SEC. 2. That the authority granted by this Act shall cease and be null and void, unless actual construction of the dam hereby authorized is commenced within two years and completed within five years from the date of approval of this Act: *Provided*, That from and after thirty days' notice from the Federal Power Commission, or other authorized agency of the United States, to said Carolina Power and Light Company, its successors or assigns, that desirable water-power developments will be interfered with by the existence of said dam, the said company, or its successors or assigns, shall alter the dam, without expense to the United States, so as to remove said interference and, upon failure to do so within a reasonable time, the authority hereby granted to construct, maintain, and operate said dam shall terminate and be at an end; and any grantee or licensee of the United States, proposing to develop a power project at or near said dam, shall have authority to remove, submerge, or utilize said dam, under such conditions as said Commission or other agency may determine, but such conditions shall not include compensation for the removal, submergence, or utilization of said dam: *And provided further*, That the Carolina Power and Light Company, its successors or assigns, shall hold and save the United States free from all claims for damage which may be sustained by the dam herein authorized, or damage sustained by the appurtenances of the said dam by reason of operations by the United States for flood control, the preservation or improvement of navigation, or for other purposes.

Removal of interference.

Nonliability of U. S. for damage claims.

Rights reserved.

SEC. 3. The right to alter, amend, or repeal this Act is hereby expressly reserved.

Approved May 21, 1948.

[CHAPTER 333]

AN ACT

May 21, 1948
[H. R. 6226]
[Public Law 547]

Making supplemental appropriations for the national defense for the fiscal year ending June 30, 1948, and for other purposes.

Supplemental National Defense Appropriation Act, 1948.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1948, and for other purposes, namely:

DEPARTMENT OF THE AIR FORCE

CONSTRUCTION OF AIRCRAFT AND RELATED PROCUREMENT

For construction, procurement, and modification of aircraft and equipment, spare parts and accessories therefor; electronic and communication equipment, detection and warning systems, and specialized equipment; expansion of public plants, and government-owned equipment and installation thereof in public or private plants for the foregoing purposes; and personal services necessary for purposes of this appropriation at the seat of the Government and elsewhere; $608,100,000, of which $250,000,000 is for liquidation of obligations incurred under authority granted in the Military Appropriation Act, 1948, to enter into contracts for the foregoing purposes; and, in addition, the Secretary of the Air Force is authorized, until June 30, 1950, to enter into contracts for the foregoing purposes in an amount not to exceed $1,687,000,000: *Provided*, That the unexpended balance of funds appropriated for the foregoing purposes under the head "Air Corps, Army", in the Military Appropriation Act, 1948, shall be consolidated with this appropriation, to be disbursed and accounted for as one fund which shall remain available until expended: *Provided*

61 Stat. 560.

61 Stat. 559.

further, That any obligation incurred hereunder shall be subject to the general provisions of the Military Appropriation Act for the fiscal year in which such obligation is incurred.

DEPARTMENT OF THE ARMY—MILITARY FUNCTIONS

CORPS OF ENGINEERS

ENGINEER SERVICE, ARMY

Engineer service: For an additional amount for "Engineer Service", including salaries and expenses of district and division offices, master and advance planning, engineering studies, and engineer activities in overseas areas, $20,849,000. *Ante*, p. 223; *post*, p. 1041.

Barracks and quarters, Army: For an additional amount for "Barracks and quarters, Army", including expenses incident to the disposition of surplus facilities, $5,051,000; and in addition $5,900,000 to be derived by transfer in the amounts indicated from the following fiscal year 1948 appropriations: "Special field exercises", $2,600,000; "Training and operation, Army Ground Forces", $300,000; "Medical and Hospital Department, Army", $2,000,000; and "Transportation service, Army", $1,000,000. 61 Stat. 551, 563, 560, 558.

DEPARTMENT OF THE NAVY

BUREAU OF AERONAUTICS

CONSTRUCTION OF AIRCRAFT AND RELATED PROCUREMENT

For new construction and procurement of aircraft and equipment, spare parts and accessories therefor, including expansion of public plants or private plants (not to exceed $500,000), and government-owned equipment and installation thereof in public or private plants, and for the employment of group IVb personnel in the Bureau of Aeronautics necessary for the purposes of this appropriation, to remain available until expended, $315,000,000, of which $150,000,000 is for liquidation of obligations incurred under authority heretofore granted to enter into contracts for the foregoing purposes, including not to exceed $20,000,000 for liquidation of obligations incurred during fiscal year 1945 against appropriation "Aviation, Navy, 1945"; and in addition, the Secretary of the Navy is authorized, until June 30, 1949, to enter into contracts for the purposes of this appropriation in an amount not to exceed $588,000,000: *Provided*, That the unexpended balances of the appropriations of $310,000,000 and $90,000,000 which were made available until expended for the foregoing purposes by the Navy Department Appropriation Act, 1947, and the Navy Department Appropriation Act, 1948, respectively, shall be consolidated with this appropriation, to be disbursed and accounted for as one fund: *Provided further*, That any obligation incurred hereunder shall be subject to the general provisions of the Navy Department Appropriation Act for the fiscal year in which such obligation is incurred. 58 Stat. 312. 60 Stat. 491. 61 Stat. 388.

SEC. 2. The Secretary of Defense shall report to the Committees on Appropriations and Armed Services of the Congress not later than June 30, 1948, and quarterly thereafter, the amounts obligated under the contract authorizations provided for in this Act and such reports shall include a statement of finding by the President that the contracts let are necessary in the interests of the national defense and that the contract specifications insure the maximum utilization of improvements in aircraft and equipment consistent with the defense needs of the United States. Report to Congressional Committees.

SEC. 3. (a) All contracts in excess of $1,000 entered into under the authority of this Act, obligating funds appropriated hereby, obligating Renegotiation Act of 1948.

funds consolidated by this Act with funds appropriated hereby, or entered into through contract authorizations herein granted, and all subcontracts thereunder in excess of $1,000 shall contain the following article:

"RENEGOTIATION ARTICLE.—This contract is subject to the Renegotiation Act of 1948 and the contractor hereby agrees to insert a like article in all contracts or purchase orders to make or furnish any article or to perform all or any part of the work required for the performance of this contract."

Excessive profits.

(b) Whenever in the opinion of the Secretary of Defense excessive profits are reflected under any contract or contracts or subcontract or subcontracts required to contain the Renegotiation Article prescribed in subsection (a), the Secretary is authorized and directed to renegotiate such contracts and subcontracts for the purpose of eliminating excessive profits. He shall endeavor to make an agreement with the contractor or subcontractor with respect to the amount, if any, of such excessive profits and to their elimination. If no such agreement is reached, the Secretary shall issue an order determining the amount, if any, of such excessive profits and shall eliminate them by any of the methods set forth in subsection (c) (2) of the Renegotiation Act of February 25, 1944, as amended. In eliminating excessive profits the Secretary shall allow the contractor or subcontractor credit for Federal income and excess profits taxes as provided in Section 3806 of the Internal Revenue Code. The powers hereby conferred upon the Secretary shall be exercised with respect to the aggregate of the amounts received or accrued under all such contracts and subcontracts by the contractor or subcontractor during his fiscal year or upon such other basis as may be mutually agreed upon; except that this section shall not be applicable in the event that the aggregate of the amounts so received or accrued is less than $100,000 during any fiscal year.

58 Stat. 83.
50 U. S. C. app. § 1191 (c) (1).

56 Stat. 964.
26 U. S. C. § 3806.

Audit of contractor's books.

(c) For the purpose of administering this section the Secretary of Defense shall have the right to audit the books and records of any contractor or subcontractor subject to this section. In the interest of economy and the avoidance of duplication of inspection and audit, the services of the Bureau of Internal Revenue shall, upon request of the Secretary of Defense and with the approval of the Secretary of the Treasury, be made available to the extent determined by the Secretary of the Treasury for the purpose of making examinations and audits under this section.

(d) The provisions of this section shall not apply to any of the contracts or subcontracts specified in subsection (i) (1) of the Renegotiation Act of February 25, 1944, as amended, and the Secretary of Defense in his discretion may exempt from the provisions of this section any other contract or subcontract both individually and by general classes or types.

58 Stat. 88.
50 U. S. C. app. § 1191 (i) (1).

(e) Agreements or orders determining excessive profits shall be final and conclusive in accordance with their terms and except upon a showing of fraud or malfeasance or willful misrepresentation of a material fact shall not be annulled, modified, reopened, or disregarded, except that in the case of orders determining excessive profits the amount of the excessive profits, if any, may be redetermined by the Tax Court of the United States in the manner prescribed in subsection (e) (1) of the Renegotiation Act of February 25, 1944, as amended, except that such redetermination shall be subject to review to the extent and in the manner provided by subchapter B of chapter 5 of the Internal Revenue Code.

58 Stat. 86.
50 U. S. C. app. § 1191 (e) (1).

53 Stat. 163.
26 U. S. C. §§ 1140-1146.

(f) The Secretary of Defense shall promulgate and publish in the Federal Register regulations interpreting and applying this section and prescribing standards and procedures for determining and eliminating excessive profits hereunder using so far as he deems practicable

Post, p. 991.
Publication of regulations in Federal Register.

the principles and procedures of the Renegotiation Act of February 25, 1944, as amended, having regard for the different economic conditions existing on or after the effective date of this Act from those prevailing during the period 1942 to 1945. In any case in which the contract price of any such contract or subcontract was based upon estimated costs, then the Secretary of Defense shall determine the difference between such estimated costs and actual costs and shall, in eliminating excessive profits, take into consideration as an element the extent to which such difference is the result of the efficiency of the contractor or subcontractor.

58 Stat. 78.
50 U. S. C. app. § 1191.

(g) The powers and duties hereby conferred upon the Secretary of Defense may be delegated by him to any officer (military or civilian) or agency of the National Military Establishment.

Delegation of powers.

(h) Any person who willfully fails or refuses to furnish any information, records, or data required of him under this section, or who knowingly furnishes any such information, records, or data containing information which is false or misleading in any material respect, shall, upon conviction thereof, be punished by a fine of not more than $10,000 or imprisonment for not more than two years, or both.

Failure to furnish information.

(i) This section may be cited as the "Renegotiation Act of 1948".

SEC. 4. This Act may be cited as the "Supplemental National Defense Appropriation Act, 1948".

Short title.

Approved May 21, 1948.

[CHAPTER 334]

AN ACT

To amend the Reconstruction Finance Corporation Act, as amended, and for other purposes.

May 25, 1948
[S. 2287]
[Public Law 548]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Reconstruction Finance Corporation Act, as amended, is amended to read as follows:

Reconstruction Finance Corporation Act, amendment.
47 Stat. 5.
15 U. S. C., Supp. I, § 601.

"SEC. 1. (a) There is hereby created a body corporate with the name 'Reconstruction Finance Corporation' (herein called the Corporation), with a capital stock of $100,000,000 subscribed by the United States of America. Its principal office shall be located in the District of Columbia, but there may be established agencies or branch offices in any city or cities of the United States under rules and regulations prescribed by the Board of Directors. This Act may be cited as the 'Reconstruction Finance Corporation Act'.

Principal office.

Short title.

"(b) Within six months after the close of each fiscal year the Corporation shall make a report to the Congress of the United States which shall contain financial statements for the fiscal year, including a balance sheet, a statement of income and expense, and an analysis of accumulated net income. The accumulated net income shall be determined after provision for reasonable reserves for uncollectibility of loans and investments outstanding. Such statements shall be prepared from the financial records of the Corporation which shall be maintained in accordance with generally accepted accounting principles applicable to commercial corporate transactions. The report shall contain schedules showing, as of the close of the fiscal year, each direct loan to any one borrower of $100,000 or more, each loan to any one borrower of $100,000 or more in which the Corporation has a participation or an agreement to participate, and the investments in the securities and obligations of any one borrower which total $100,000 or more. Within six months after the end of each fiscal year, beginning with the fiscal year ended June 30, 1948, the Corporation shall pay over to the Secretary of the Treasury as miscellaneous receipts, a dividend on its capital

Report to Congress.

Payment of dividend into Treasury.