

outside agency. In addition, it will relieve the President of having to handle relations with a separate maritime agency.

In establishing the Department of Commerce the Congress provided in the organic act of the Department that—

It shall be the province and duty of said Department to foster, promote, and develop the foreign and domestic commerce,* * * shipping,* * * and the transportation facilities of the United States. Over the years, however, transportation functions have become widely scattered throughout the executive branch. As a result, intelligent planning and budgeting of Federal transportation activities and the necessary coordination of transportation programs have become extremely difficult or impossible. The transfer of the functions of the Maritime Commission to the Department of Commerce will constitute a major step in correcting this condition.

Without question the Department of Commerce is now the appropriate center for transportation programs. It contains the Civil Aeronautics Administration—the major operating and promotional agency of the Government in the field of air transportation—and the Weather Bureau, and the Coast and Geodetic Survey, which provide vital services to transportation. As a result of Reorganization Plan No. 7 of 1949, it now also includes the Bureau of Public Roads, the leading promotional agency dealing with land transportation. Also, it has the Inland Waterways Corporation in the field of water transportation. The transfer of the functions of the Maritime Commission will bring into the Department the principal water-transportation agency of the Government. These actions will go a long way toward the establishment of a sound and effective organization for the operating and promotional programs of the Government relating to transportation.

It is my purpose to look to the Secretary of Commerce for leadership with respect to transportation problems and for the development of over-all transportation policy within the executive branch. Because of the magnitude and importance of the transportation functions transferred to the Department of Commerce by this reorganization plan, I have found and hereby declare that it is necessary to strengthen the top administrative structure of the Department by providing for the appointment and compensation of a new Under Secretary of Commerce for Transportation. This will make available an officer of the highest rank to assist the Secretary in supervising the varied and complex transportation programs of the Department and providing central leadership in transportation matters. With the many responsibilities of the Secretary of Commerce in other areas, the creation of this office is essential to enable him properly to fulfill his obligations with respect to transportation.

After careful investigation I have found and I hereby declare that each of the reorganizations contained in this reorganization plan is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949. The rates of compensation fixed by the provisions of the reorganization plan for the Under Secretary of Commerce for Transportation, the Chairman, and the other two members of the Federal Maritime Board are, respectively, those which I have found to prevail in respect of comparable officers in the executive branch of the Government.

In summary, the reorganizations provided by this plan will have the following principal advantages: They will provide an efficient organization headed by a single responsible official to administer the large operating and business-type programs of the Maritime Commission. At the same time, they will preserve the benefits of a bipartisan board for the performance of the regulatory functions of the Commission and the determination of subsidies. They will reduce the number of agencies reporting directly to the President and simplify the over-all management of the executive branch. In doing so, they will provide more adequate machinery for supervising the administration of the maritime pro-

grams and will facilitate their coordination with related policies and programs of the executive branch. Finally, they will accomplish a major advance in the development of an effective organization of Federal transportation programs in accord with the recommendations of the Commission on Organization of the Executive Branch of the Government. While it is impossible to estimate in advance the savings which will be brought about by this plan, the improvements in administrative efficiency resulting from it should produce substantial reductions in expenditures for the programs transferred by the plan.

HARRY S. TRUMAN.

THE WHITE HOUSE, March 13, 1950.

REORGANIZATION PLAN NO. 22 OF 1950

Eff. Sept. 7, 1950, 15 F.R. 4365, 64 Stat. 1277

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, May 9, 1950, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949 [see 5 U.S.C. 901 et seq.].

FEDERAL NATIONAL MORTGAGE ASSOCIATION

SECTION 1. TRANSFER OF ASSOCIATION AND ITS FUNCTIONS

The Federal National Mortgage Association, together with its functions, is hereby transferred from the Reconstruction Finance Corporation to the Housing and Home Finance Agency and shall be administered subject to the direction and control of the Housing and Home Finance Administrator.

SEC. 2. TRANSFERS TO THE HOUSING ADMINISTRATOR

There are hereby transferred from the Reconstruction Finance Corporation to the Housing and Home Finance Administrator—

- (1) the notes of the Federal National Mortgage Association payable to the Reconstruction Finance Corporation;
- (2) the capital stock of the Federal National Mortgage Association;
- (3) the function of the Reconstruction Finance Corporation of making payments on its notes issued to the Secretary of the Treasury in an amount equal to (a) the unpaid principal of, and accrued interest on, the notes of the Federal National Mortgage Association transferred under (1) above, (b) any funds of the Reconstruction Finance Corporation transferred under the provisions of section 5 hereof, (c) the book value of any office furniture and equipment of the Reconstruction Finance Corporation transferred under the provisions of section 5 hereof, and (d) the par value of the capital stock of the Federal National Mortgage Association plus the amount of its surplus paid in by the Reconstruction Finance Corporation;
- (4) the function of issuing notes or other obligations to the Secretary of the Treasury, which may be purchased by the Secretary, under section 7 of the Reconstruction Finance Corporation Act, as amended [15 U.S.C. 606], in an amount not in excess of that necessary to finance at any one time the outstanding balances of the investments, loans, and purchases held by the Federal National Mortgage Association, taking into consideration other balance-sheet items;
- (5) except as otherwise provided in this reorganization plan, all other functions of the Reconstruction Finance Corporation (including functions of the Board of Directors of such Corporation and functions of the Chairman of the Board of Directors of such Corporation) with respect to the Federal National Mortgage Association; and
- (6) all functions of the Federal Housing Commissioner with respect to the Federal National Mortgage Association.

SEC. 3. BOARD OF DIRECTORS AND OFFICERS

Functions with respect to serving, including eligibility to serve, as members of the Board of Directors of

the Federal National Mortgage Association and as officers of such Association are hereby transferred from the members of the Board of Directors of, and from the officers and employees of, the Reconstruction Finance Corporation to the officers and employees of the Housing and Home Finance Agency (including those of the constituent agencies of the Housing and Home Finance Agency).

SEC. 4. PERFORMANCE OF FUNCTIONS OF ADMINISTRATOR

The Housing and Home Finance Administrator may from time to time make such provisions as he shall deem appropriate authorizing the performance by any other officer, or by any agency or employee, of the Housing and Home Finance Agency of any function transferred to such Administrator by the provisions of this reorganization plan.

SEC. 5. TRANSFER OF RECORDS, PROPERTY, PERSONNEL, AND FUNDS

There are hereby transferred with the functions transferred by this reorganization plan, respectively, all of the assets, liabilities, contracts, property, records, and unexpended balances of authorizations, allocations and other funds, available or to be made available, of the Federal National Mortgage Association, and so much of the assets, liabilities, contracts, property, records, personnel, and unexpended balances of authorizations, allocations, and other funds, available or to be made available, of the Reconstruction Finance Corporation and relating to functions transferred by the provisions of this reorganization plan, as the Director of the Bureau of the Budget shall determine to be necessary for the administration of such functions, excluding, however, (1) the members of the Board of Directors of the Federal National Mortgage Association in office immediately prior to the taking effect of the provisions of this reorganization plan, and (2) the officers of the Association then in office. Such further measures and dispositions as the Director of the Bureau of the Budget shall determine to be necessary in order to effectuate the transfers provided for in this section shall be carried out in such manner as the Director shall direct and by such agencies as he shall designate.

SEC. 6. EFFECTIVE DATE

The provisions of this reorganization plan shall take effect 60 days after they would take effect under section 6(a) of the Reorganization Act of 1949 in the absence of this section.

[Housing and Home Finance Agency lapsed and functions were transferred to Secretary of Housing and Urban Development, see section 9(c) of Pub. L. 89-174, Sept. 9, 1965, 79 Stat. 670, set out as a note under 42 U.S.C. 3531.]

MESSAGE OF THE PRESIDENT

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 22 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. The plan improves the grouping of Government programs according to their major purposes by transferring the Federal National Mortgage Association from the Reconstruction Finance Corporation to the Housing and Home Finance Agency. This reorganization carries out the specific recommendation of the Commission on Organization of the Executive Branch of the Government that "The Federal National Mortgage Association be placed under the Administrator of the Housing and Home Finance Agency."

At present, the Federal National Mortgage Association, a wholly owned Government corporation, is a subsidiary of the Reconstruction Finance Corporation. Its purpose is to provide a secondary market for home mortgages insured or guaranteed by other Government agencies through the purchase, service, and sale of such

mortgages. In addition, it is authorized to make direct loans for housing in Alaska. As of the end of March 1950 its total holdings were approximately a billion dollars and its outstanding commitments to purchase were more than \$1,400,000,000 in addition. Such a volume of activity has an obvious impact on the Government's entire housing program.

The Congress has long recognized that the function of such a secondary mortgage market is closely related to the entire housing program. The Federal National Mortgage Association originally was chartered by the head of the Federal Housing Administration as authorized by title III of the National Housing Act. In rechartering the Federal National Mortgage Association 2 years ago the Congress recognized the relationship between it and the operations of the Housing and Home Finance Agency by providing that the Federal Housing Commissioner alone would have authority to determine whether and when the Federal National Mortgage Association should be terminated. This act also required submission of semiannual reports to the Federal Housing Commissioner and for the transmittal by him of these reports to the Congress together with his recommendations thereon.

Nearly 3 years ago the Congress approved the establishment of the Housing and Home Finance Agency under an Administrator who could be held responsible by the President and the Congress for the general coordination and supervision of Federal housing programs placed in the Housing Agency at that time. The Federal National Mortgage Association was not then made a part of the Housing Agency because the provisions of section 5(e) of the reorganization act then in effect precluded submission of plans involving agencies whose organizational status had been changed by the Congress subsequent to January 1, 1945. The act of February 24, 1945, transferred the Federal Loan Agency, which included the Federal National Mortgage Association, from the Department of Commerce. Moreover, the holdings of the Federal National Mortgage Association amounted to only \$7,500,000. This small volume of operation presented few immediate problems of coordination with other aspects of the entire housing program. However, the basic relationship of the Federal National Mortgage Association to the housing program was recognized by making the chairman of the Reconstruction Finance Corporation, or his designee, a member of the National Housing Council.

The present high volume of activity by the Federal National Mortgage Association has radically altered the situation which existed in 1947 and has made it essential that these market operations be geared more closely into the Government's housing program. The manner in which these market operations are administered has a direct effect on the kind of mortgages written and the availability and cost of mortgage credit. The secondary market must be administered, therefore, at all times in full consistency with other programs affecting housing credit.

The Government seeks to accomplish the objectives of its housing program through the use of several methods. The purchase and sale of home mortgages in the secondary market by the Federal National Mortgage Association is merely one of such methods. Others include the insurance of home mortgages and improvement loans, insurance of shares of savings and loan associations, and loans and grants to local public agencies for the purpose of financing low-rent housing projects and slum clearance. All of these methods are means whereby the objectives of the housing program are achieved and should be the responsibility of the agency charged with that program.

The transfer of the Federal National Mortgage Association will not prevent the Reconstruction Finance Corporation from making loans to business enterprises on the security of real estate, or from accepting mortgages as collateral in connection with a business loan. This type of activity is consistent with normal business lending functions.

The transfer of the Federal National Mortgage Association to the Housing and Home Finance Agency will

assure the necessary coordination of its operations with other housing programs, thus providing a sounder basis for future progress toward a better-housed America. It is not probable that the reorganization in this plan will immediately result in reduced expenses, but in view of the relationship to other programs of housing aids, a more consistent approach in carrying out such policies will be possible and should result in long-term economies.

After investigation I have found, and I hereby declare, that each reorganization included in Reorganization Plan No. 22 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2(a) of the Reorganization Act of 1949.

In view of the direct relation of the Federal National Mortgage Association to other housing finance programs, which was initially recognized by the Congress and only last year reiterated by the Commission on Organization of the Executive Branch of the Government, I recommend that the Congress grant its approval to the transfer provided in this reorganization plan.

HARRY S. TRUMAN.

THE WHITE HOUSE, May 9, 1950.

REORGANIZATION PLAN NO. 23 OF 1950

Eff. Sept. 7, 1950, 15 F.R. 4365, 64 Stat. 1279

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, May 9, 1950, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949 [see 5 U.S.C. 901 et seq.].

LOANS FOR FACTORY-BUILT HOMES

SECTION 1. TRANSFER OF FUNCTIONS

There are hereby transferred to the Housing and Home Finance Administrator, hereinafter referred to as the Administrator—

(1) all functions of the Reconstruction Finance Corporation, hereinafter referred to as the "Corporation," under section 102 of the Housing Act of 1948, as amended [12 U.S.C. 1701g];

(2) all other functions of the Corporation, under the Reconstruction Finance Corporation Act, as amended [15 U.S.C. 601 et seq.]; or any other law, with respect to financing predominantly for the production, manufacture, distribution, sale, purchase, or erection of prefabricated houses, sections, or panels or site improvements therefor;

(3) the function of the Corporation of making payments on its notes issued to the Secretary of the Treasury in an amount equal to the funds and the unpaid principal of, and accrued interest on, the loans and obligations payable to the Corporation which are transferred under the provisions of this reorganization plan; and

(4) so much of any other function of the Corporation as is incidental to or necessary for the performance of the functions referred to in items (1) and (2), above, including the issuance of obligations to the Secretary of the Treasury, which may be purchased by the Secretary, under section 7 of the Reconstruction Finance Corporation Act, as amended [15 U.S.C. 606]: *Provided*, That the amount of such obligations issued by the Administrator and outstanding at any one time shall not exceed the sum of (a) the funds and the unpaid principal of, and accrued interest on, the loans and obligations transferred under this reorganization plan and (b) the unexpended balances of authorizations and allocations transferred hereunder, less the amount of any funds transferred hereunder for such unexpended balances from which sum shall be deducted the outstanding amount of any notes with respect to which the function of making payments is transferred under (3) above.

SEC. 2. TRANSFER OF RECORDS, PROPERTY, PERSONNEL, AND FUNDS

There are hereby transferred to the Housing and Home Finance Agency (1) the assets, contracts, loans,

liabilities, commitments, property, and records, of the Corporation relating to the functions transferred by this reorganization plan, (2) such of the personnel of the Corporation relating to said functions as the Director of the Bureau of the Budget shall determine, and (3) so much of the unexpended balances of authorizations, allocations, and funds, available or to be made available, of the Corporation relating to such functions (including authorizations and allocations for administrative expenses) as the Director of the Bureau of the Budget shall determine. Such further measures and dispositions as the Director of the Bureau of the Budget shall determine to be necessary in order to effectuate the transfers provided for in this section shall be carried out in such manner as the Director shall direct and by such agencies as he shall designate.

SEC. 3. PERFORMANCE OF FUNCTIONS OF ADMINISTRATOR

The Administrator may from time to time make such provisions as he shall deem appropriate authorizing the performance by any other officer, or by any agency or employee, of the Housing and Home Finance Agency of any function transferred to the Administrator by the provisions of this reorganization plan.

SEC. 4. EFFECTIVE DATE

The provisions of this reorganization plan shall take effect sixty days after they would take effect under section 6(a) of the Reorganization Act of 1949 in the absence of this section.

[Housing and Home Finance Agency lapsed and functions were transferred to Secretary of Housing and Urban Development, see section 9(c) of Pub. L. 89-174, Sept. 9, 1965, 79 Stat. 670, set out as a note under 42 U.S.C. 3531.]

MESSAGE OF THE PRESIDENT

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 23 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. The plan further promotes the grouping of Government programs according to their major purposes by transferring from the Reconstruction Finance Corporation to the Housing and Home Finance Agency the lending functions of the Government with respect to the production and distribution of prefabricated houses and components. This reorganization would be consistent with the objective set by the Commission on Organization of the Executive Branch of the Government which recommended that "all housing activities be placed in one agency under a single administrator."

Under its general powers pursuant to the Reconstruction Finance Corporation Act, and pursuant to the Veterans' Emergency Housing Act of 1946, the Reconstruction Finance Corporation has made a number of loans to finance the production, distribution, and marketing of prefabricated houses and components. In addition, under section 102 of the Housing Act of 1948, the Reconstruction Finance Corporation is specifically authorized to make loans, not exceeding \$50,000,000 outstanding at any one time, to finance the production of such housing. The greater portion of the loans so authorized have been made and are now outstanding.

The development of an efficient prefabricated housing industry is an essential part of the total housing program. It, therefore, requires integration with the major housing activities of the Federal Government.

Moreover, the functions to be transferred from the Reconstruction Finance Corporation are complementary to other activities of the Housing and Home Finance Agency in the field of manufactured housing. The Agency has under way considerable research on this type of housing construction. Under the National Housing Act, the Federal Housing Administration, a constituent agency, insures loans for the manufacture of such housing as well as mortgages on such houses when erected and sold. Thus, the successful operation