

business of the Commission, made such by the very terms of the statute. The function of the reviewing court is much more restricted. It is limited to ascertaining whether there is warrant in the law and the facts for what the Commission has done. Unless in some specific respect there has been prejudicial departure from requirements of the law or abuse of the Commission's discretion, the reviewing court is without authority to intervene. It cannot substitute its own view concerning what should be done, whether with reference to competitive considerations or others, for the Commission's judgment upon matters committed to its determination, if that has support in the record and the applicable law.

The judgment is

Reversed.

MR. JUSTICE DOUGLAS dissents.

MR. JUSTICE JACKSON took no part in the consideration or decision of this case.

CHERRY COTTON MILLS, INC. *v.*
UNITED STATES.

CERTIORARI TO THE COURT OF CLAIMS.

No. 187. Argued December 14, 1945.—Decided March 25, 1946.

1. Under 28 U. S. C. 250 (2) giving the Court of Claims jurisdiction to hear and determine "All set-offs, counterclaims . . . or other demands whatsoever on the part of the Government . . . against any claimant against the Government in said Court," it is within the jurisdiction of the Court of Claims, in a suit against the Government for a refund of taxes, to hear and determine a counterclaim of the Government based upon a debt owed by claimant to the Reconstruction Finance Corporation. P. 539.
2. That Congress chose to call the R. F. C. a corporation does not alter its characteristics so as to make it something other than it

Opinion of the Court.

actually is, an agency selected by the Government to accomplish purely governmental purposes, notwithstanding the fact that, in other situations and with relation to other statutes, this Court has applied the doctrine of governmental immunity or priority rather strictly. P. 539.

3. The jurisdiction of the Court of Claims to hear and determine counterclaims is in no way dependent upon the preliminary intragovernmental steps which precede court action—such as directions issued by the General Accounting Office to the Treasury. P. 538. 103 Ct. Cls. 243, 59 F. Supp. 122, affirmed.

Petitioner sued the Government for a tax refund in the Court of Claims. The Government filed a counterclaim for a debt owed by petitioner to the R. F. C. The Court of Claims overruled a challenge of its jurisdiction under 28 U. S. C. 250 (2) and rendered judgment for the United States and against petitioner for the amount it owed the R. F. C. less the amount of the tax refund. 103 Ct. Cls. 243, 59 F. Supp. 122. This Court granted certiorari. 326 U. S. 705. *Affirmed*, p. 540.

Theodore B. Benson argued the cause and filed a brief for petitioner.

David L. Kreeger argued the cause for the United States. With him on the brief were *Solicitor General McGrath*, *Assistant Attorney General Sonnett* and *John R. Benney*.

MR. JUSTICE BLACK delivered the opinion of the Court.

In 1942 the Government owed the petitioner a \$3,104.87 refund of processing and floor taxes paid by the petitioner under the Agricultural Adjustment Act. The petitioner owed the Reconstruction Finance Corporation \$5,963.51, balance on a note for borrowed money. The General Accounting Office directed the Treasury not to pay the tax refund to the petitioner, but to issue a check for the refund payable to the R. F. C. "to partially liquidate" petitioner's indebtedness to that governmental agency. As

Opinion of the Court.

327 U. S.

authorized by 28 U. S. C. 250 (1), the petitioner then brought suit against the Government for the tax refund in the Court of Claims. The Government filed a counter-claim for the \$5,963.51, asserting the right to do so under 28 U. S. C. 250 (2), which gives the Court of Claims jurisdiction to hear and determine "All set-offs, counterclaims, . . . or other demands whatsoever on the part of the Government of the United States against any claimant against the Government in said court . . ." The petitioner challenged the jurisdiction of the Court of Claims to hear and determine the counterclaim on these two grounds: (1) the Comptroller exceeded his authority in directing the Treasury to pay the tax refund to the R. F. C. instead of to the petitioner; (2) the R. F. C. should be treated in the same way as a privately owned corporation and when so treated the petitioner's admittedly valid indebtedness to R. F. C. is not a claim "on the part of the Government" entitling it to set up a counterclaim under 28 U. S. C. 250 (2). The Court of Claims, rejecting both these contentions, rendered judgment for the United States and against the petitioner for the amount it owed the R. F. C. less the amount of the tax refund. We granted certiorari.

Little need be said as to the contention concerning the alleged lack of authority of the General Accounting Office to direct the Treasury not to pay the petitioner, since we agree with the Court of Claims that its jurisdiction to hear and determine counterclaims is in no way dependent upon the preliminary intragovernmental steps which precede court action. For this reason the petitioner's argument based on our decision in *Skinner & Eddy Corp. v. McCarl*, 275 U. S. 1, where we considered the power of the Comptroller General in relation to wholly different legislation, has no bearing on the power of the Court of Claims under 28 U. S. C. 250 (2).

Opinion of the Court.

Nor do we find any justification for giving to 250 (2) the narrow interpretation urged. Its purpose was to permit the Government, when sued in the Court of Claims, to have determined in a single suit all questions which involved mutual obligations between the Government and a claimant against it. Legislation of this kind has long been favored and encouraged because of a belief that it accomplishes among other things such useful purposes as avoidance of "circuitry of action, inconvenience, expense, consumption of the courts' time, and injustice." *Chicago & N. W. R. Co. v. Lindell*, 281 U. S. 14, 17 and cases cited.

We have no doubt but that the set-off and counterclaim jurisdiction of the Court of Claims was intended to permit the Government to have adjudicated in one suit all controversies between it and those granted permission to sue it, whether the Government's interest had been entrusted to its agencies of one kind or another. Every reason that could have prompted Congress to authorize the Government to plead counterclaims for debts owed to any of its other agencies applies with equal force to debts owed to the R. F. C. Its Directors are appointed by the President and confirmed by the Senate; its activities are all aimed at accomplishing a public purpose; all of its money comes from the Government; its profits, if any, go to the Government; its losses the Government must bear. That the Congress chose to call it a corporation does not alter its characteristics so as to make it something other than what it actually is, an agency selected by Government to accomplish purely governmental purposes. *Inland Waterways Corp. v. Young*, 309 U. S. 517, 524. Nor is this congressionally granted power to plead a counterclaim to be reduced because in other situations, and with relation to other statutes, we have applied the doctrine of governmental

immunity or priority rather strictly.¹ The Government here sought neither immunity nor priority. Its right to counterclaim rests on different principles, one of which was graphically expressed by the sponsors of the Act of which § 250 (2) is a part: It is "as much the duty of the citizen to pay the Government as it is the duty of the Government to pay the citizen." 58 Cong. Globe 1674, April 15, 1862, 37th Cong., 2d Sess.

Affirmed.

MR. JUSTICE JACKSON took no part in the consideration or decision of this case.

MACAULEY, ACTING CHAIRMAN OF THE
UNITED STATES MARITIME COMMISSION,
ET AL. *v.* WATERMAN STEAMSHIP CORP.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR
THE DISTRICT OF COLUMBIA.

No. 435. Argued February 27, 28, 1946.—Decided March 25, 1946.

The Maritime Commission Price Adjustment Board notified respondent that it had been assigned to renegotiate respondent's war contracts with the Commission pursuant to the Renegotiation Act and requested respondent to attend an initial conference and to supply information. Respondent denied the Board's authority on the ground that its contracts were with a British ministry and not with the Maritime Commission. The Board replied that, although signed by a British ministry, they had been negotiated by the Maritime Commission on behalf of the United States, which was responsible for the obligations incurred, and that, therefore, they were subject to renegotiation. Respondent refused to furnish the information requested and brought suit in a district court for a declaratory judgment that the contracts were not subject to the Renegotiation

¹ *Sloan Shipyards Corp. v. U. S. Fleet Corp.*, 258 U. S. 549; *Keifer & Keifer v. Reconstruction Finance Corp.*, 306 U. S. 381; *Reconstruction Finance Corp. v. J. G. Menihan Corp.*, 312 U. S. 81.