

[CHAPTER 403]

JOINT RESOLUTION

To authorize the Secretary of Agriculture to provide Federal meat inspection during the present war emergency in respect of meat-packing establishments engaged in intrastate commerce only, in order to facilitate the purchase of meat and meat food products by Federal agencies, and for other purposes.

June 10, 1942
[H. J. Res. 315]
[Public Law 602]

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That upon application for Federal inspection by any slaughtering, meat-canning, salting, packing, rendering, or similar establishment which is not subject to the provisions of law, as amended, known as the Meat Inspection Act, which follow the subheading "For Meat Inspection" under the heading "Bureau of Animal Industry" in the Act entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and eight", approved March 4, 1907, the Secretary of Agriculture is authorized to cause to be made the same or similar examinations and inspections and cause such other action to be taken in respect of the soundness, healthfulness, wholesomeness, and fitness for human food of meat and meat food products as would be made or taken if meat and meat food products from such establishment were to be used, transported, or sold in interstate or foreign commerce.

Federal meat inspection.
Extension to intrastate packers.

34 Stat. 1260.
21 U. S. C. §§ 71-93.

SEC. 2. (a) The Secretary of Agriculture is authorized and directed, insofar as may be practicable, to carry out the provisions of this Act through the existing officers, employees, and facilities through which he carries out the provisions of the Meat Inspection Act, as amended.

Administration of Act.

(b) The Secretary of Agriculture is authorized to prescribe such regulations as may be necessary in order to carry out the provisions of this Act.

Regulations.

(c) The Secretary of Agriculture is authorized to employ persons without regard to the Civil Service Act, as amended, and subsection 6 of section 6 of the Classification Act of 1923, as amended, provided that any persons so employed shall be regarded as holding war-service appointments, under Executive Order 9063.

Personnel.
22 Stat. 403.
5 U. S. C. §§ 632-642.
42 Stat. 1490.
5 U. S. C. § 666.
7 F. R. 1075.

SEC. 3. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1943, and each fiscal year thereafter, such amounts as may be necessary to carry out the provisions of this Act.

Appropriation authorized.
Post, p. 1001.

SEC. 4. This Act shall cease to be in effect six months after the termination of the present war.

Termination of Act.

Approved, June 10, 1942.

[CHAPTER 404]

AN ACT

To mobilize the productive facilities of small business in the interests of successful prosecution of the war, and for other purposes.

June 11, 1942
[S. 2250]
[Public Law 603]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in addition to the powers and duties of the Chairman of the War Production Board defined by Executive Order Numbered 9024 of January 16, 1942, and by Executive Order Numbered 9040 of January 24, 1942, it shall be the duty of the Chairman of the War Production Board, and he is hereby empowered, through a deputy to be appointed by him, to mobilize aggressively the productive capacity of all small business concerns, and to determine the means by which such concerns can be most efficiently and effectively utilized to augment war production.

Small business concerns.
Mobilization for war production.
7 F. R. 329, 527.

Cooperation with
other agencies.

It shall also be the duty of the Chairman of the War Production Board, and he is hereby empowered, through the deputy so appointed by him, to cooperate to the fullest practicable extent with the Director of Civilian Supply and other appropriate governmental agencies in the issuance of all orders limiting production by business enterprises, with a view to insuring that small business concerns will be most efficiently and effectively utilized in the production of articles, equipment, supplies, and materials for both war and essential civilian purposes.

SEC. 2. The Chairman of the War Production Board shall have power, and he is hereby directed, whenever and to the extent that he determines such action to be necessary—

Inventory of pro-
ductive facilities.

(1) to make, or arrange with the Bureau of the Census or such other governmental agency as may be possessed of the necessary personnel and facilities for the making of, a complete inventory of all productive facilities in the United States which may be used for war production;

Directing attention
to small plants.

(2) to direct the attention of officers of the Government having procurement powers to the potential productive capacity of plants operated by small business concerns;

Subcontracts.

(3) to obtain information with respect to the extent and the terms upon which prime contractors with the Government have let subcontracts, and to take such action as he may deem appropriate to bring about the letting by such prime contractors of subcontracts upon fair and equitable terms and in the greatest volume practicable;

Encouraging con-
version of small plants
to war production.

(4) to take such action as will result in the granting of such Government contracts to business concerns operating small plants as will provide them with a sufficient incentive to engage in war production and to make such conversion of their plants as may be necessary to engage in war production;

Certification of
funds for conversions.

(5) to certify to the Smaller War Plants Corporation established under section 4 of this Act and to the Reconstruction Finance Corporation or any of its subsidiaries, the amount of funds necessary for the conversion to war production of any small plant or other plant interested in obtaining from the Smaller War Plants Corporation, or from the Reconstruction Finance Corporation, or any such subsidiary, the capital necessary to provide for such conversion;

Certification as to
capacity and credit.

(6) to certify to Government procurement officers with respect to the competency, as to capacity and credit, of any small business concern or group of such concerns to perform a specific Government procurement contract;

Reports from Gov-
ernment procurement
and financing agen-
cies.

(7) to obtain from the Secretary of War, the Secretary of the Navy, the Director of the Procurement Division of the Treasury, the Reconstruction Finance Corporation and any subsidiary thereof, and any other Federal department, establishment, or agency engaged in war procurement or in the financing of war procurement or production, such reports concerning the letting of contracts and subcontracts and making of loans to business concerns as he may deem pertinent in carrying out his functions under this Act; and

Studies of supply
and fair treatment for
small concerns.

(8) to make studies with respect to the means by which small business concerns may be supplied with essential raw materials and receive fair and reasonable treatment from all Government departments and agencies without interfering with the efficiency of the war-production program.

Letting of contracts
on certification.

SEC. 3. In any case in which a small business concern or group of such concerns has been certified by or under the authority of the

Chairman of the War Production Board to be a competent Government contractor with respect to capacity and credit as to a specific Government procurement contract, the Secretary of War, the Secretary of the Navy, the Director of the Procurement Division of the Treasury, and all other officers of the Government having procurement powers are directed to accept such certification as conclusive, and are authorized to let such Government procurement contract to such concern or group of concerns without requiring it to meet any other requirements with respect to capacity and credit. The Congress hereby recognizes the fact that business concerns operating small plants are frequently unable to produce certain articles at as low a per unit cost as business concerns operating large plants and that, as a consequence of such fact, in order to mobilize the Nation's full productive capacity, including both large and small plants, it may be necessary for the Government to pay a higher per unit price for such articles to business concerns operating small plants than it pays to business concerns operating large plants.

SEC. 4. (a) There is hereby created a body corporate under the name "Smaller War Plants Corporation" (hereinafter referred to as the "Corporation"). The principal office of the Corporation shall be located in the District of Columbia, but the Corporation may establish such branch offices in other places in the United States as may be determined by the board of directors.

(b) The Corporation shall have capital stock of \$150,000,000, subscribed for by the United States through the Secretary of the Treasury, and payment for which shall be subject to call in whole or in part by the board of directors of the Corporation. There is hereby authorized to be appropriated the sum of \$150,000,000 for the purpose of enabling the Secretary of the Treasury to make payment for such capital stock when payment is called by the board of directors. Receipts for payments by the United States for or on account of such capital stock shall be issued by the Corporation to the Secretary of the Treasury and shall be evidence of the stock ownership by the United States.

(c) The management of the Corporation shall be vested in a board of five directors, deemed to be familiar with the problems of small business, to be appointed by the Chairman of the War Production Board. The board of directors shall select a chairman and a vice chairman from among the members of the board.

(d) The Corporation shall not have succession, beyond July 1, 1945, except for purposes of liquidation, unless its life is extended beyond such date pursuant to an Act of Congress. It shall have power to adopt, alter, and use a corporate seal, which shall be judicially noticed; to make contracts; to lease such real estate as may be necessary for the transaction of its business; to sue and be sued, to complain and to defend, in any court of competent jurisdiction, State or Federal; to select, employ, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary for the transaction of the business of the Corporation; to define their authority and duties, require bonds of them, and fix the penalties thereof; and to prescribe, amend, and repeal, by its board of directors, bylaws, rules, and regulations governing the manner in which its general business may be conducted and the powers granted to it by law may be exercised and enjoyed. The board of directors of the Corporation shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid. The Corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. The Corporation, with the consent of any board, commission, independent

Recognition of price differentials.

"Smaller War Plants Corporation." *Post*, p. 713.

Capital stock of Corporation.

Appropriation authorized. *Post*, p. 719.

Board of directors.

Duration.

Corporate powers.

Obligations and expenses.

Free use of mails.

Information and services available.

establishment, or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this Act.

Depositories and fiscal agents.

(e) All moneys of the Corporation not otherwise employed may be deposited with the Treasurer of the United States subject to check by authority of the Corporation or in any Federal Reserve bank. The Federal Reserve banks are authorized and directed to act as depositories, custodians, and fiscal agents for the Corporation in the general performance of its powers conferred by this Act. All insured banks, when designated by the Secretary of the Treasury, shall act as depositories, custodians, and financial agents for the Corporation.

Additional powers. Loans and advances.

(f) The Corporation is empowered (1) to make loans or advances, on such terms and conditions and with such maturities as it may determine, to enable small business concerns to finance plant construction, conversion, or expansion, or to finance the acquisition of equipment, facilities, machinery, supplies, or materials, or to supply such concerns with capital, to be used in the manufacture of articles, equipment, supplies, or materials for war or essential civilian purposes; and such loans or advances may be made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations, or otherwise; (2) to purchase or lease such land, to purchase, lease, build, or expand such plants, and to purchase or produce such equipment, facilities, machinery, materials, or supplies, as may be needed to enable the Corporation to provide small business concerns with such land, plants, equipment, facilities, machinery, materials, or supplies as such concerns may require to engage in the production of such articles, equipment, supplies, or materials; (3) to lease, sell, or otherwise dispose of to any small business concern any such land, plants, equipment, facilities, machinery, materials, or supplies; (4) to enter into contracts with the United States Government and any department, agency, or officer thereof having procurement powers obligating the Corporation to furnish articles, equipment, supplies, or materials to the Government; and (5) to arrange for the performance of such contracts by letting subcontracts to small business concerns or others for the manufacture, supply, or assembly of such articles, equipment, supplies, or materials, or parts thereof, or servicing or processing in connection therewith, or such management services as may be necessary to enable the Corporation to perform such contracts. In any case in which the Chairman of the War Production Board certifies to the Secretary of War, the Secretary of the Navy, the Director of the Procurement Division of the Treasury, or to any other officer of the Government having procurement powers, that the Smaller War Plants Corporation is competent to perform any specific Government procurement contract to be let by any such officer, it shall be the duty of such officer to let such procurement contract to such Corporation upon such terms and conditions as may be specified by the Chairman of the War Production Board. Such subcontracts may be let upon such terms and conditions as the Corporation may deem appropriate in accordance with such regulations as may be prescribed under section 201 of the First War Powers Act, 1941.

Acquisition of land, plants, equipment, etc.

Disposition to small concerns.

Contracts with U. S. Government.

Letting of subcontracts.

Contracts to Corporation on certification of competence.

Terms and conditions.
55 Stat. 839.
50 U. S. C., Supp. I,
app. § 611.

Penal provisions.
False statements
and overvaluations.

(g) (1) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose

of influencing in any way the action of the Corporation, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

(2) Whoever, being connected in any capacity with the Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise entrusted to it, or (2) with intent to defraud the Corporation or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Corporation, makes any false entry in any book, report, or statement of or to the Corporation, or, without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property, or benefit through any transaction, loan, commission, contract, or any other act of the Corporation, or (4) gives any unauthorized information concerning any future action or plan of the Corporation which might affect the value of securities, or, having such knowledge, invests or speculates, directly or indirectly, in the securities or property of any company or corporation receiving loans or other assistance from the Corporation, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

(3) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U. S. C., title 18, ch. 5, secs. 202 to 207, inclusive), insofar as applicable, are extended to apply to contracts or agreements with the Corporation under this Act.

SEC. 5. The Chairman of the War Production Board shall make a report every sixty days of his operations under this Act to the President, the President of the Senate, and the Speaker of the House of Representatives. Such report shall include the names of the business concerns to whom contracts are let, and for whom financing is arranged, by the Corporation, together with the amounts involved, and such report shall include such other information, and such comments and recommendations, with respect to the relation of small business concerns to the war effort, as the Chairman may deem appropriate.

SEC. 6. Whenever the Smaller War Plants Corporation has completed any transaction under clause (1), (2), or (3) of subsection (f) of section 4 of this Act, it shall transfer the loan, advance, plant, equipment, facilities, machinery, materials, supplies, leases, or other property resulting from such transaction to the Defense Plants Corporation, and the Defense Plants Corporation shall service and administer such loan, advance, or property, as the agent of the Smaller War Plants Corporation, remitting to the Smaller War Plants Corporation any interest, principal, or other proceeds or collections, after deducting its actual expense of service and administration.

SEC. 7. The War Department, the Navy Department, and the Maritime Commission are hereby authorized to make or participate in loans, guaranties, and commitments in accordance with Executive Order Numbered 9112 of March 26, 1942, and to participate in or to guarantee any loans made pursuant to this Act with a view to increasing the production of war materials, supplies, or equipment; and in connection therewith they may use any funds heretofore or hereafter made available to them for purposes of procuring war materials, supplies, and equipment, or of expediting the production thereof.

Punishment.

Offenses relating to official duties.
Embezzlement, etc.

False entries, etc.

Participation in profits.

Use of unauthorized information.

Punishment.

Criminal Code provisions applicable.
35 Stat. 1108.

Reports by Chairman of WPB.

Defense Plants Corporation.
Service and administration of loans, etc.

Lending authority of other agencies.

7 F. R. 2367.

Use of funds.

12 U. S. C. § 84.

Obligations secured
by Federal guaranties.

Proviso.

Reconstruction Fi-
nance Corporation.
54 Stat. 573, 961.
15 U. S. C. § 606b;
Supp. I, § 606b.
Ante, p. 174.
Loans for national
defense purposes.

Participation by
War and Navy De-
partments.

Deposit of public
money in insured
banks.

Employment as
financial agents.

Security required.

Proviso.
Insured deposits.

Discrimination be-
tween banks, restric-
tion.

SEC. 8. Section 5200 of the Revised Statutes, as amended, is amended by adding at the end thereof a new paragraph reading as follows:

"(10) Obligations shall not be subject under this section to any limitation based upon such capital and surplus to the extent that such obligations are secured or covered by guaranties, or by commitments or agreements to take over or to purchase, made by any Federal Reserve bank or by the United States or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States: *Provided*, That such guaranties, agreements, or commitments are unconditional and must be performed by payment of cash or its equivalent within sixty days after demand. The Comptroller of the Currency is hereby authorized to define the terms herein used if and when he may deem it necessary."

SEC. 9. Subparagraph (2) of the fourth paragraph of section 5d of the Reconstruction Finance Corporation Act, as amended, is hereby amended to read as follows:

"(2) To make loans to and purchase the obligations of any business enterprise, including, when requested by the Secretary of Commerce, subscription to the capital stock thereof, for any purpose deemed by the Corporation to be advantageous to the national defense. Such loans, purchases, or subscriptions shall be made under such terms and conditions and with such maturities as the Corporation may determine. The War Department and the Navy Department are hereby authorized to participate in or to guarantee any loans made by the Reconstruction Finance Corporation pursuant to this provision, and, in connection therewith, they may use any funds heretofore or hereafter made available for purposes of procuring war materials, supplies, and equipment."

SEC. 10. All insured banks designated for that purpose by the Secretary of the Treasury shall be depositaries of public money of the United States (including, without being limited to, revenues and funds of the United States, and any funds the deposit of which is subject to the control or regulation of the United States or any of its officers, agents, or employees, and Postal Savings funds), and the Secretary is hereby authorized to deposit public money in such depositaries, under such regulations as may be prescribed by the Secretary; and they may also be employed as financial agents of the Government; and they shall perform all such reasonable duties, as depositaries of public money and financial agents of the Government as may be required of them. The Secretary of the Treasury shall require of the insured banks thus designated satisfactory security by the deposit of United States bonds or otherwise, for the safekeeping and prompt payment of public money deposited with them and for the faithful performance of their duties as financial agents of the Government: *Provided*, That no such security shall be required for the safekeeping and prompt payment of such parts of the deposits of the public money in such banks as are insured deposits and each officer, employee, or agent of the United States having official custody of public funds and lawfully depositing the same in an insured bank shall, for the purpose of determining the amount of the insured deposits, be deemed a depositor in such custodial capacity separate and distinct from any other officer, employee, or agent of the United States having official custody of public funds and lawfully depositing the same in the same insured bank in custodial capacity. Notwithstanding any other provision of law, no department, board,

agency, instrumentality, officer, employee, or agent of the United States shall issue or permit to continue in effect any regulations, rulings, or instructions, or enter into or approve any contracts or perform any other acts having to do with the deposit, disbursement, or expenditure of public funds, or the deposit, custody, or advance of funds subject to the control of the United States as trustee or otherwise which shall discriminate against or prefer national banking associations, State banks members of the Federal Reserve System, or insured banks not members of the Federal Reserve System, by class, or which shall require those enjoying the benefits, directly or indirectly, of disbursed public funds so to discriminate. All Acts or parts thereof in conflict herewith are hereby repealed. The terms "insured bank" and "insured deposit" as used in this Act shall be construed according to the definitions of such terms in the Act of August 23, 1935 (49 Stat. 684), as amended (U. S. C., title 12, sec. 264).

Repeal of conflicting laws.
"Insured bank" and "insured deposit."

SEC. 11. Nothing in this Act shall be construed to modify or limit in any manner (1) the authority vested in the Chairman of the War Production Board by Executive Order Numbered 9024 of January 16, 1942, or Executive Order Numbered 9040 of January 24, 1942, or vested in him by any other Executive order or Act of Congress; or (2) the authority vested in the Reconstruction Finance Corporation or any of its subsidiaries by any Executive order or Act of Congress.

Authority of WPB Chairman and of RFC not modified.

7 F. R. 329, 527.

SEC. 12. Whenever the Chairman of the War Production Board shall, after consultation with the Attorney General, find, and so certify to the Attorney General in writing, that the doing of any act or thing, or the omission to do any act or thing, by one or more persons during the period that this section is in effect, in compliance with any request or approval made by the Chairman in writing, is requisite to the prosecution of the war, such act, thing or omission shall be deemed in the public interest and no prosecution or civil action shall be commenced with reference thereto under the antitrust laws of the United States or the Federal Trade Commission Act. Such finding and certificate may in his discretion be withdrawn at any time by the Chairman by giving notice of such withdrawal to the Attorney General, whereupon the provisions of this section shall not apply to any subsequent act or omission by reason of such finding or certificate.

Immunity from prosecution for certain acts or omissions.

38 Stat. 717.
15 U. S. C. § 58.
Discretionary withdrawal of finding.

The Attorney General from time to time, but not less frequently than once every one hundred and twenty days, shall transmit to the Congress a report of operations under this section. Reports provided for under this section shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

Reports by Attorney General.

The Attorney General shall order published in the Federal Register every such certificate and, when he deems it in the public interest, the details of any plan, program or other arrangement promulgated under, or which is the basis of, any such certificate.

Publication of certificates.

This section shall remain in force until six months after the termination of the present war or until such earlier time as the Congress by concurrent resolution or the President may designate, but no prosecution or civil action shall be commenced thereafter with reference to any act or omission occurring prior thereto if such prosecution or civil action would be barred by this section if it remained in force.

Duration of section.

Approved, June 11, 1942.