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# Volume I

# Basic Statutes, Public Regulations and Formal Orders of the Administrator

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## Book II (Part 8 through 35)

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8 LOW-RENT PUBLIC HOUSING

**8. Low-Rent Public Housing** [1]

**1. Authorization**

# 1. UNITED STATES HOUSING ACT OF 1937, AS AMENDED [1]

**[Public Law 412, 75th Congress; 50 Stat. 888; 42 U.S.C. 1401 et seq. (1946 ed.)]**

AN ACT to provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

DECLARATION OF POLICY

SEC. 1. It is hereby declared to be the policy of the United States to promote the general welfare of the Nation by employing its funds and credit, as provided in this Act, to assist the several States and their political subdivisions to alleviate present and recurring unemployment and to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income, in urban and rural nonfarm areas, that are injurious to the health, safety, and morals of the citizens of the Nation. In [2] the development of low-rent housing it shall be the policy of the United States to make adequate provision for larger families and for families consisting of elderly persons. It is the policy of the United States to vest in the local public housing agencies the maximum amount of responsibility in the administration of the low-rent housing program, including responsibility for the establishment of rents and eligibility requirements (subject to the approval of the Authority), with due consideration to accomplishing the objectives of this Act while effecting economies.

DEFINITIONS

SEC. 2. When used in this Act—

(1)[3] The term "low-rent housing" means decent, safe, and sanitary

[1] See also 9-1.3, for the provisions of Public Law 671, 76th Congress. Substantially all of the projects built under Public Law 671 as war and emergency housing have been converted to low-rent use.

See also 8-2.1, for the provisions of title II of the National Industrial Recovery Act, Public Law 67, 73rd Congress. Included in the low-rent public housing program are 21,600 units of housing built by the Public Works Administration prior to enactment of the United States Housing Act of 1937 as experimental projects under the National Industrial Recovery Act.

See also 9-1.5, section 606 of the Lanham Act, as amended.

See also 30-6.1 Demonstration Program for Low-income housing.

[2] Sec. 501, Housing Act of 1959, Public Law 86-372, approved September 23, 1959, 73 Stat. 654, 679, added these two sentences.

[3] Immediately prior to amendment by sec. 503(a), Housing Act of 1959, Public Law 86-372, approved September 23, 1959, 73 Stat. 654, 680, this paragraph read as follows:

"(1) The term 'low-rent housing' means decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability, and embraces all necessary appurtenances thereto. The dwellings in low-rent housing as defined in this Act shall be available solely for families whose net annual income at the time of admission, less an exemption of (a) $100 for each adult dependent member of the family having no income and for each minor (other than the

dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability, and embraces all necessary appurtenances thereto. The dwellings in low-rent housing shall be available solely for families of low income. Income limits for occupancy and rents shall be fixed by the public housing agency and approved by the Authority after taking into consideration (A) the family size, composition, age, physical handicaps, and other factors which might affect the rent-paying ability of the family, and (B) the economic factors which affect the financial stability and solvency of the project.

(2)[1] The term 'families of low income' means families (including elderly and displaced families) who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use. The term 'families' includes families consisting of a single person in the case of elderly families and displaced families, and includes a single person who is handicapped within the meaning of section 202 of the Housing Act of 1959 or who is the remaining member of a tenant family. The term 'elderly families' means families whose heads (or their spouses), or whose sole members, have attained the age at which an individual may elect to receive an old age benefit under title II of the Social Security Act, or who are under a disability as defined in section 223 of that Act. The term 'displaced families' means families displaced by urban renewal or other governmental action.

(3) The term "slum" means any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health, or morals.

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head of the family and his spouse), and (b) not to exceed $600 of the income of each member of the family other than the principal wage earner, does not exceed five times the annual rental (including the value or cost to them of water, electricity, gas, other heating and cooking fuels, and other utilities) of the dwellings to be furnished such families. For the sole purpose of determining eligibility for continued occupancy, a public housing agency may allow, from the net annual income of any family, an exemption (a) for each minor member of the family (other than the head of the family and his spouse) of either $100 or all or any part of the income of such minor, and (b) of $100 for each adult dependent member of the family having no income, and (c) not to exceed $600 of the income of any other member of the family other than the principal wage earner. For the purposes of this subsection, a minor shall mean a person less than 21 years of age."

[1] This paragraph amended to read as set forth in the text by sec. 401(a), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 794, and sec. 203(d), Housing Act of 1964, 78 Stat. 784. Sec. 203(d) inserted "a single person who is handicapped within the meaning of section 202 of the Housing Act of 1959 or who is" after "and includes" in the second sentence. With the foregoing exception, this paragraph was amended by sec. 401(a) of the Housing Act of 1964.

Immediately prior to these amendments this paragraph read as follows:

"(2) The term "families of low income" means families who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use. The term "families" means families consisting of two or more persons, a single person who has attained retirement age as defined in section 216(a) of the Social Security Act or who is under a disability as defined in section 223 of that Act, or the remaining member of a tenant family. The term "elderly families" means families the head of which (or his spouse) has attained retirement age as defined in section 216(a) of the Social Security Act or is under a disability as defined in section 223 of that Act."

(4) The term "slum clearance" means the demolition and removal of buildings from any slum area.

(5) The term "development" means any or all undertakings necessary for planning, land acquisition, demolition, construction, or equipment, in connection with a low-rent housing project. The term "development cost" shall comprise the costs incurred by a public housing agency in such undertakings and their necessary financing (including the payment of carrying charges, but not beyond the point of physical completion), and in otherwise carrying out the development of such project. Construction activity in connection with a low-rent housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.[1] In cases where the public housing agency is also the local public agency for the purposes of title I of the Housing Act of 1949,[2] or [3] in cases where the public housing agency and the local public agency for purposes of such title I operate under a combined central administrative office staff, an administration building included in a low-rent housing project to provide central administrative office facilities may also include sufficient facilities for the administration of the [4] functions of such local public agency, and in such case, the Authority shall require that an economic rent shall be charged for the facilities in such building which are used for the administration of the [4] functions of such local public agency, and shall be paid from funds derived from sources other than the low-rent housing projects of such public housing agency.

(6) The term "administration" means any or all undertakings necessary for management, operation, maintenance, or financing, in connection with a low-rent-housing or slum-clearance project, subsequent to physical completion.

(7) The term "Federal project" means any project owned or administered by the Authority.

(8) The term "acquisition cost" means the amount prudently required to be expended by a public housing agency in acquiring a low-rent-housing or slum-clearance project.

(9) The term "non-dwelling facilities" shall include site development, improvements and facilities located outside building walls (including streets, sidewalks, and sanitary, utility, and other facilities).

(10) The term "going Federal rate" means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of ten years or more, determined, in the case of loans or annual contributions, respectively, at the

[1] This sentence added by sec. 307, Housing Act of 1957, Public Law 85-104, 85th Congress, approved July 12, 1957, 71 Stat. 294, 301.
[2] Title I of the Housing Act of 1949, as amended, authorizes the urban renewal program. See 7-1.
[3] Sec. 502(1), Housing Act of 1959, Public Law 86-372, approved September 23, 1959, 73 Stat. 654, 680, inserted ", or in cases where the public housing agency and the local public agency for purposes of such title I operate under a combined central administrative office staff,".
[4] Sec. 502(2), Housing Act of 1959, Public Law 86-372, approved September 23, 1959. 73 Stat. 654, 680, substituted "the functions of" for "its functions as".

date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided,*[1] That, with respect to any loans or annual contributions made pursuant to a contract approved by the President after the first annual rate has been specified as provided in this proviso, the term "going Federal rate" means the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the six-month period (beginning with the six-month period ending December 31. 1953) during which the contract is approved by the President, which applicable rate for each six-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such six-month period, on all outstanding marketable obligations of the United States having a maturity date of fifteen or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of one per centum: *And provided further,* That for the purposes of this Act, the going Federal rate shall be deemed to be not less than 2½ per centum.

(11) The term "public housing agency" means any State, county, municipality, or other governmental entity or public body (excluding the Authority), which is authorized to engage in the development or administration of low-rent housing or slum clearance. The Authority shall enter into contracts for financial assistance with a State or State agency where such State or State agency makes application for such assistance for an eligible project which, under the applicable laws of the State, is to be developed and administered by such State or State agency.

(12) The term "State" includes the States of the Union, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

(13) The term "Authority" means the United States Housing Authority created by section 3 of this Act.

(14)[2] The term "initiated" when used in reference to the date on which a project was initiated refers to the date of the first contract for financial assistance in respect to such project entered into by the Authority and the public housing agency.

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[1] This proviso was added by section 24(c), Housing Amendments of 1953, Public Law 94, 83d Congress, approved June 30, 1953, 67 Stat. 121, 128.

[2] Sec. 202, Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 163, deleted the following paragraph (14) and renumbered this paragraph (formerly numbered (15)) to be paragraph (14):

"(14) The term "veteran" shall mean a person who has served in the active military or naval service of the United States at any time (i) on or after September 16, 1940, and prior to July 26, 1947, (ii) on or after April 6, 1917, and prior to November 11, 1918, or (iii) on or after June 27, 1950, and prior to such date thereafter as shall be determined by the President, and who shall have been discharged or released therefrom under conditions other than dishonorable. The term "serviceman" shall mean a person in the active military or naval service of the United States who has served therein at any time (i) on or after September 16, 1940, and prior to July 26, 1947, (ii) on or after April 6, 1917, and prior to November 11, 1918, or (iii) on or after June 27, 1950, and prior to such date thereafter as shall be determined by the President."

UNITED STATES HOUSING AUTHORITY

SEC. 3. (a) There is hereby created in the Department of the Interior and under the general supervision of the Secretary thereof a body corporate of perpetual duration to be known as the United States Housing Authority,[1] which shall be an agency and instrumentality of the United States.

(b) The powers of the Authority shall be vested in and exercised by an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall serve for a term of five years and shall be removable by the President upon notice and hearing for neglect of duty or malfeasance but for no other cause.

(c) The Administrator shall receive a salary of $10,000[2] a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. Neither the Administrator nor any officer or employee of the Authority shall participate in any matter affecting his personal interests or the interest of any corporation, partnership, or association in which he is directly or indirectly interested.

SEC. 4. (a) The Administrator is authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such employees as may be necessary for the proper performance of the duties of the Authority under this Act; except that without regard to the civil-service laws he may appoint such officers, attorneys and experts, and such employees whose compensation is in excess of $1,980 per annum, as may be necessary to carry out the purposes of this Act.[3]

(b) Appointment to positions made under the provisions of this Act the annual salary of which is in excess of $7,500 per annum shall be subject to confirmation by the Senate.[3]

(c) The Administrator may accept and utilize such voluntary and uncompensated services and with the consent of the agency concerned may utilize such officers, employees, equipment, and information of any agency of the Federal, State, or local governments as he finds

[1] Reorganization Plan No. 1, effective July 1, 1939, 53 Stat. 1423, transferred the United States Housing Authority from the Department of Interior to the Federal Works Agency. Executive Order 9070, effective February 24, 1942, 7 Fed. Reg. 1529, transferred the housing functions of the Federal Works Agency to the National Housing Agency and provided that the functions of the United States Housing Authority should be administered as the Federal Public Housing Authority, one of the constituent units of the National Housing Agency. See 2-1.1, Reorganization Plan No. 3 of 1947, which provided that the United States Housing Authority should be administered and known as the Pubic Housing Administration, one of the constituent agencies of the Housing and Home Finance Agency, and that the functions of the Administrator of the United States Housing Authority were transferred to the Public Housing Commissioner.

[2] Public Law 901, 80th Congress, approved August 10, 1948, 62 Stat. 1268, 1283, provided that the Public Housing Commissioner shall receive compensation at the rate of $15,000 per annum. Sec. 106(a) of the Federal Executive Pay Act of 1956, Public Law 854, 84th Congress, approved July 31, 1956, 70 Stat. 736, 738, provided that the annual rate of basic compensation of the Commissioner, Public Housing Administration, shall be $20,000.

[3] Section 502(b) of Public Law 901, 80th Congress, approved August 10, 1948, 62 Stat. 1268, 1283, provided that the Public Housing Commissioner may appoint such officers and employees as he may find necessary and that such appointments, notwithstanding the provisions of any other law, shall be made under Public Law 901 and be subject to the civil service laws and the Classification Act of 1923, as amended. (See 2-2.3.)

helpful in the performance of the duties of the Authority. In connection with the utilization of such services, the Authority may make reasonable payments for necessary traveling and other expenses.[1]

(d) The President may at any time in his discretion transfer to the Authority any right, interest, or title held by any department or agency of the Federal Government in any housing or slum-clearance projects (constructed or in process of construction on the date of enactment of this Act), any assets, contracts, records, libraries, research materials, and other property held in connection with any such housing or slum-clearance projects or activities, any unexpended balance of funds allocated to such department or agency for the development, administration, or assistance of any housing or slum-clearance projects or activities, and any employees who have been engaged in work connected with housing or slum clearance. The Authority may continue any or all activities undertaken in connection with projects so transferred, subject to the provisions of this Act.

SEC. 5. (a) The principal office of the Authority shall be in the District of Columbia, but it may establish branch offices or agencies in any State, and may exercise any of its powers at any place within the United States. The Authority may, by one or more of its officers or employees or by such agents or agencies as it may designate, conduct hearings or negotiations at any place.

(b) The Authority shall sue and be sued in its own name, and shall be represented in all litigated matters by the Attorney General or such attorney or attorneys as he may designate.[2]

(c) The Authority shall have an official seal, which shall be judicially noticed.

(d) The Authority shall be granted the free use of the mails in the same manner as the executive departments of the Government.

(e) The Authority, including but not limited to its franchise, capital, reserves, surplus, loans, income, assets, and property of any kind, shall be exempt from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority. Obligations, including interest thereon, issued by public

[1] Section 502(c) of Public Law 901, 80th Congress, approved August 10, 1948, 62 Stat. 1268, 1283, provided that the Public Housing Commissioner may:

"(1) with the consent of the agency or organization concerned, accept and utilize equipment, facilities, or the services of employees of any State or local public agency or instrumentality, educational institution, or nonprofit agency or organization and, in connection with the utilization of such services, may make payments for transportation while away from their homes or regular places of business and per diem in lieu of subsistence enroute and at place of such service, in accordance with the provisions of 5 U.S.C. 73b-2;

"(2) utilize, contract with, and act through, without regard to section 3709 of the Revised Statutes, any Federal, State, or local public agency or instrumentality, educational institution, or non-profit agency or organization with the consent of the agency or organization concerned, and any funds available to said officers for carrying out their respective functions, powers, and duties shall be available to reimburse any such agency or organization; and, whenever in the judgment of any such officer necessary, he may make advance, progress, or other payments with respect to such contracts without regard to the provisions of section 3648 of the Revised Statutes:". (See 2-2.3.)

[2] Section 502(b) of Public Law 901, 80th Congress, approved August 10, 1948, 62 Stat. 1268, 1283, provided that the Public Housing Administration shall sue and be sued only with respect to its functions under the United States Housing Act of 1937, as amended, and title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, as amended. (See 2-2.3.)

housing agencies in connection with low-rent-housing or slum-clearance projects, and the income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

SEC. 6. (a) The Authority may make such expenditures, subject to audit under the general law, for the acquisition and maintenance of adequate administrative agencies, offices, vehicles, furnishings, equipment, supplies, books, periodicals, printing and binding, for attendance at meetings, for any necessary traveling expenses within the United States, its Territories, dependencies, or possessions, and for such other expenses as may from time to time be found necessary for the proper administration of this Act. Such financial transactions of the Authority as the making of loans, annual contributions, and capital grants, and the acquisition, sale, exchange, lease, or other disposition of real and personal property, and vouchers approved by the Administrator in connection with such financial transactions, shall be final and conclusive upon all officers of the Government; except that all such financial transactions of the Authority shall be audited by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe.

(b) Repealed.[1]

(c) The use of funds made available for the purposes of this Act shall be subject to the provisions of section 2 of title 3 of the Treasury and Post Office Appropriation Act for the fiscal year 1934 (47 Stat. 1489), and to make such provisions effective every contract or agreement of any kind pursuant to this Act shall contain a provision identical to the one prescribed in section 3 of title 3 of such Act.

(d) No annual contribution, grant, or loan, and no contract[2] for any annual contribution, grant, or loan, under this Act, shall be undertaken by the Authority except with the approval of the President.[3]

(e) With respect to all projects under title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940, references therein to the United States Housing Act of 1937, as amended, shall include all amendments to said Act made by the Housing Act of 1949 or by any other law thereafter enacted.

SEC. 7. (a) The Authority may publish and disseminate information pertinent to the various aspects of housing.

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[1] Sec. 6(b) repealed by section 1 of Public Law 247, 82d Congress, approved October 31, 1951, 65 Stat. 701. Section 6(b) provided that the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5) shall apply to all contracts of the Authority for services and to all of its purchases of supplies except when the aggregate amount involved is less than $300. Sec. 6(b) was made unnecessary by subsequent amendments of section 3709 of the Revised Statutes.

[2] See also 2-2.5 for requirements to be included in contracts with respect to records, specifications, and audits.

[3] See also Executive Order 11196, 2-2.6, issued February 2, 1965, 30 Fed. Reg. 1171, empowering the Housing and Home Finance Administrator to approve the undertakings without the approval, ratification, or other action of the President.

(b)[1] The annual report of the Housing and Home Finance Administrator to the President for submission to the Congress on the operations of the Housing and Home Finance Agency shall include a report on the operations and expenses of the Authority, including loans, contributions, and grants made or contracted for, low-rent housing and slum clearance projects undertaken, and the assets and liabilities of the Authority. Such report shall include operating statements of all projects under the jurisdiction of or receiving the assistance of the Authority, including summaries of the incomes of occupants, sizes of families, rentals, and other related information.

SEC. 8. The Authority may from time to time make, amend, and rescind such rules and regulations as may be necessary to carry out the provisions of this Act.

LOANS FOR LOW-RENT-HOUSING AND SLUM-CLEARANCE PROJECTS[2]

SEC. 9. The Authority may make loans to public-housing agencies[3] to assist the development, acquisition, or administration of low-rent-housing or slum-clearance projects by such agencies. Where capital grants are made pursuant to section 11 the total amount of such loans outstanding on any one project and in which the Authority participates shall not exceed the development or acquisition cost of such project less all such capital grants, but in no event shall said loans exceed 90 per centum of such cost. In the case of annual contributions in assistance of low rentals as provided in section 10 the total of such loans outstanding on any one project and in which the Authority participates shall not exceed 90 per centum of the development or acquisition cost of such project. Such loans shall bear interest at such rate not less than the applicable going Federal rate, plus one-half of one per centum, shall be secured in such manner, and shall be repaid within such period not exceeding sixty years, as may be deemed advisable by the Authority: *Provided,* That in the case of projects initiated after March 1, 1949, with respect to which annual contributions are contracted for pursuant to this Act, loans shall not be made for a period exceeding forty years from the date of the bonds evidencing the loan: *And provided further,* That, in the case of such projects or any other projects with respect to which the contracts (including contracts which amend or supersede contracts previously made) provide for loans for a period not exceeding forty years from the date of the bonds evidencing the loan and for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, such loans shall bear interest at a rate not less than the applicable going Federal rate.

[1] This sentence amended to read as set forth in the text by sec. 802(d) of the Housing Act of 1954, Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 590, 643.

[2] See also 8-1.2.

[3] The First Independent Offices Appropriation Act, 1954, Public Law 176, 83d Congress, approved July 31, 1953, 67 Stat. 298, 315, provides that during fiscal 1954 the PHA Commissioner shall make every effort to refund all local bonds held by the Public Housing Administration. The Independent Offices Appropriation Act, 1955, Public Law 428, 83d Congress, approved June 24, 1954, 68 Stat. 273, 297 provided that "during the fiscal year 1955 the Commissioner shall continue to make every effort to refund all local bonds held by the Public Housing Administration" (see 8-1.6).

ANNUAL CONTRIBUTIONS IN ASSISTANCE OF LOW RENTALS

SEC. 10. (a) The Authority may make annual contributions to public housing agencies to assist in achieving and maintaining the low-rent character of their housing projects. The annual contributions for any such project shall be fixed in uniform amounts, and shall be paid in such amounts over a fixed period of years. The Authority shall embody the provisions for such annual contributions in a contract guaranteeing their payment over such fixed period: *Provided,*[1] That the Authority may, in addition to the payments guaranteed under the contract, pay not to exceed $120 per annum per dwelling unit occupied by an elderly family, or a displaced family if such family was displaced by an urban renewal or low-rent housing project on or after January 27, 1964, on the last day of the project fiscal year where such amount, in the determination of the Authority, was necessary to enable the public housing agency to lease the dwelling unit to an elderly or displaced family at a rental it could afford and to operate the project on a solvent basis, and, in the case of displaced families, if and to the extent that the average or estimated average rental for units so occupied by such families was less than the rental which the Authority determines, on the basis of the average or estimated average project rentals, would have been established in leasing the units to families which were neither elderly nor similarly displaced. The Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions or for capital grants pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, unless the governing body of the locality involved has entered into an agreement with the public housing agency providing that, subsequent to the initiation of the low-rent housing project and within five years after the completion thereof, there has been or will be elimination, by demolition, condemnation, effective closing, or compulsory repair or improvement, of unsafe or insanitary dwelling units situated in the locality or metropolitan area substantially equal in number to the number of newly constructed dwelling units provided by such project: *Provided, however,* That where more than one family is living in an unsafe or insanitary dwelling unit the elimination of such unit shall count as the elimination of units equal to the number of families accommodated therein: *Provided further,* That such elimination may, in the discretion of the Authority be deferred in any locality or metropolitan area where there is an acute shortage of decent, safe, or sanitary housing available to families of low income: *And provided further,* That this requirement shall not apply in the case of any low-rent housing project located in a rural nonfarm area, or to any low-rent housing project developed on the site of a slum cleared subsequent to the date of enactment of the Housing Act of 1949 and that

[1] Immediately prior to amendment by sec. 402, Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 794, this proviso read as follows:
"*Provided,* That the Authority may, in addition to the payments guaranteed under the contract, pay not to exceed $120 per annum per dwelling unit occupied by an elderly family on the last day of the project fiscal year where such amount, in the determination of the Authority, was necessary to enable the public housing agency to lease the dwelling unit to the elderly family at a rental it could afford and to operate the project on a solvent basis."

the dwelling units which had been eliminated by the clearance of the site of such project shall not be counted as elimination for any other low-rent project.[1]

(b) Annual contributions shall be strictly limited to the amounts and periods necessary, in the determination of the Authority, to assure the low-rent character of the housing projects involved. Toward this end the Authority may prescribe regulations fixing the maximum contributions available under different circumstances, giving consideration to cost, location, size, rent-paying ability of prospective tenants, or other factors bearing upon the amounts and periods of assistance needed to achieve and maintain low rentals. Such regulations may provide for rates of contribution based upon development, acquisition or administration cost, number of dwelling units, number of persons housed, or other appropriate factors: *Provided,* That the fixed contribution payable annually under any contract shall in no case exceed a sum equal to the annual yield, at the applicable going Federal rate plus 1 per centum, upon the development or acquisiton cost of the low-rent housing or slum-clearance project involved.

(c) Every contract for annual contributions shall provide that whenever in any year the receipts of a public housing agency in connection with a low-rent housing project exceed its expenditures (including debt service, administration, maintenance, establishment of reserves, and other costs and charges), an amount equal to such excess shall be applied, or set aside for application, to purposes which, in the determination of the Authority, will effect a reduction in the amount of subsequent annual contributions. In no case shall any contract for annual contributions be made for a period exceeding sixty years: *Provided,* That, in the case of projects initiated after March 1, 1949, contracts for annual contributions shall not be made for a period exceeding forty years from the date the first annual contribution for the project is paid: *And provided further,* That, in the case of such projects or any other projects with respect to which the contracts for annual contributions (including contracts which amend or supersede contracts previously made) provide for annual contributions for a period not exceeding forty years from the date the first annual contribution for the project is paid, the fixed contribution may exceed the amount provided in the first proviso of subsection (b) of this section by 1 per centum of development or acquisition cost.

(d) All payments [2] of annual contributions pursuant to this section shall be made out of any funds available to the Authority when such payments are due, except that its capital and its funds obtained through

[1] See 7-1 and 7-3.
[2] The First Independent Offices Appropriation Act, 1954, Public Law 176, 83d Congress, approved July 31, 1953, 67 Stat. 298, 306, provided that all expenditures of the appropriation in that Act for annual contributions should be subject to audit and final settlement by the Comptroller General under the provisions of the Budget and Accounting Act of 1921, as amended.
See sec 10(k) of the United States Housing Act of 1937, as amended (see 8-1.6).
See also 8-1.3 and 8-1.4.

**the issuance of obligations pursuant to section 20 (including repayments or other realizations of the principal of loans made out of such capital and funds) shall not be available for the payment of such annual contributions.**

(e)[1] The Authority is authorized to enter into contracts for annual contributions aggregating not more than $366,250,000 per annum, but any such contracts for additional units for any one State shall not, after the date of enactment of the Housing Act of 1961, be entered into for more than 15 per centum of the aggregate amount not already guaranteed under contracts for annual contributions on such date: *Provided,* That no such new contract for additional units shall be entered into after the date of enactment of the Housing Act of 1961[2] except with respect to low-rent housing for a locality respecting which the Administrator has made the determination and certification relating to a workable program as prescribed in section 101(c) of the Housing Act of 1949,[3] and the Authority shall enter into only such new contracts for preliminary loans as are consistent with the number of dwelling units for which contracts for annual contributions may be entered into. Without further authorization from Congress, no new contracts for annual contributions beyond those herein authorized shall be entered into by the Authority. The faith of the United States is solemnly pledged to the payment of all annual contributions contracted

[1] Sec. 204(a), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 163, and sec. 403, Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 795, last amended this sentence to read as set forth in the text. The only change made by the Housing Act of 1964 increased the authorization for annual contributions from $336,000,000 to $366,250,000. With this exception, sec. 204(a) of the Housing Act of 1961 substituted this sentence for the following:

"The Authority is authorized, on and after the date of the enactment of this Act, to enter into contracts which provide for annual contributions aggregating not more than $28,000,000 per annum. With respect to projects assisted pursuant to this Act, the Authority (in addition to the amount authorized by the first sentence of this subsection) is authorized, with the approval of the President, to enter into contracts, on and after July 1, 1949, for annual contributions aggregating not more than $85,000,000 per annum, which limit shall be increased by further amounts of $55,000,000 on July 1 in each of the years 1950, 1951, and 1952, respectively, and by $58,000,000 on July 1, 1953: *Provided,* That (subject to the total additional authorization of not more than $308,000,000 per annum) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than $55,000,000 upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further,* That 10 per centum of each amount of authorization to enter into contracts for annual contributions becoming available hereunder shall, for a period of three years after such amount of authorization becomes available, be available only for annual contributions contracts with respect to projects to be located in rural nonfarm areas. With respect to projects initiated after March 1, 1949, the Authority may authorize the commencement of construction of not to exceed one hundred and thirty-five thousand dwelling units after July 1, 1949, which limit shall be increased by further amounts of one hundred and thirty-five thousand dwelling units on July 1 in each of the years 1950 through and including 1954, respectively: *Provided,* That (subject to the authorization of not to exceed eight hundred and ten thousand dwelling units) such limit, and any such authorized increase therein, may be increased at any time or times by additional amounts aggregating not more than sixty-five thousand dwelling units, or may be decreased at any time or times by amounts aggregating not more than eighty-five thousand dwelling units, upon a determination by the President, after receiving advice from the Council of Economic Advisers as to the general effect of such increase or decrease upon conditions in the building industry and upon the national economy, that such action is in the public interest: *And provided further,* That contracts for annual contributions with respect to low-rent housing projects initiated after March 1, 1949, shall not provide for the commencement of construction of more than eight hundred and ten thousand dwelling units without further authorization from the Congress: *And provided further,* That in no event shall the Authority permit the commencement of construction of more than two hundred thousand dwelling units in any fiscal year."

[2] June 30, 1961.

[3] See 7-1.

for pursuant to this section, and there is hereby authorized to be appropriated in each fiscal year, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

(f) Payments under annual contributions contracts shall be pledged, if the Authority so requires, as security for any loans obtained by a public housing agency to assist the development or acquisition of the housing project to which the annual contributions relate.

(g)[1] Every contract for annual contributions for any low-rent housing project shall provide that—

(1) the maximum income limits fixed by the public housing agency shall be subject to the prior approval of the Authority and the Authority may require the agency to review and revise such limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of the Act;

(2) the public housing agency shall adopt and promulgate regulations establishing admission policies which shall give full consideration to its responsibility for the rehousing of displaced families, to the applicant's status as a serviceman or veteran or relationship to a serviceman or veteran or to a disabled serviceman or veteran, and to the applicant's age or disability, housing conditions, urgency of housing need, and source of income: *Provided,* That in establishing such admission policies the public housing agency shall accord to families of low income such priority over single persons as it determines to be necessary to avoid undue hardship; and

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[1] Sec. 205, Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 164, amended this subsection to place greater responsibility in the local housing authorities for admission policies, and sec. 401(b), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 794, further amended this subsection to substitute "displaced families" for "those displaced by urban renewal or other governmental action" in paragraph (2) and to add the proviso at the end of paragraph (2). With the exception of the foregoing amendments by the Housing Act of 1964, sec. 205 of the Housing Act of 1961 amended this subsection to read as set forth in the text.

Immediately prior to amendment sec. 10(g) read as follows:

"(g) Every contract made pursuant to this Act for annual contributions for any low-rent housing project shall require that the public housing agency, as among low-income families which are eligible applicants for occupancy in dwellings of given sizes and at specified rents, shall extend the following preferences in the selection of tenants:

"First, to families which are to be displaced by any low-rent housing project or by any public slum-clearance, redevelopment or urban renewal project, or through action of a public body or court, either through the enforcement of housing standards or through the demolition, closing, or improvement of dwelling units, or which were so displaced within three years prior to making application to such public housing agency for admission to any low-rent housing: *Provided,* That as among such projects or actions the public housing agency may from time to time extend a prior preference or preferences: *And provided further,* That, as among families within any such preference group first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

"Second, to families of other veterans and servicemen and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected."

(3) the public housing agency shall determine, and so certify to the Authority, that each family in the project was admitted in accordance with duly adopted regulations and approved income limits; and the public housing agency shall make periodic reexaminations of the incomes of families living in the project and shall require any family whose income has increased beyond the approved maximum income limits for continued occupancy to move from the project unless the public housing agency determines that, due to special circumstances, the family is unable to find decent, safe and sanitary housing within its financial reach although making every reasonable effort to do so, in which event such family may be permitted to remain for the duration of such a situation if it pays an increased rent consistent with such family's increased income.

(h) [1] Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project (exclusive [2] of any portion thereof which is not assisted by annual contributions under this Act) is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract shall require the public housing agency to make payments in lieu of taxes equal to 10 per centum of the annual shelter rents charged in such project or such lesser amount as (i) is prescribed by State law, or (ii) is agreed to by the local governing body in its agreement for local cooperation with the public housing agency required under subsection 15 (7) (b) (i) of this Act, or (iii) is due to failure of a local public body or bodies other than the public housing agency to perform any obligation under such agreement: *Provided,* That, with respect to any such project which is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, such contract shall provide, in lieu of the requirement for tax exemption and payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivisions in which such project is situated shall contribute,

[1] Sec. 402, Housing Act of 1954, Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 590, 631, amended subsection (h) to read as set forth down to the first proviso. Sec. 404, Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 795, amended the remainder of this subsection to eliminate the provision which prohibited any payment in lieu of taxes that would reduce the value of the tax exemption to less than 20 per cent of the Federal contribution.

Sec. 408 of the Housing Act of 1956, Public Law 1020, 48th Congress, approved August 7, 1956, 70 Stat. 1091, 1108, authorized payments in lieu of taxes for project fiscal years ending prior to April 1, 1956, by housing authorities in Houston, Texas; Quincy, Illinois; Fresno, California; Reading, Pennsylvania; Huntington, W.Va.; Los Angeles, California; Monroe, Louisiana; Dothan, Alabama; Sacramento, California; Cincinnati, Ohio; and Tampa, Florida.

Sec. 907, Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 191, authorized payment in lieu of taxes by the Housing Authority of Holyoke, Mass. for its fiscal year ended December 31, 1956.

Sec. 1006, Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 807, authorized payment in lieu of taxes by the Hawaii Housing Authority to the city and county of Honolulu for the fiscal year ended June 30, 1959.

[2] Sec. 206(b), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 165, inserted this parenthetical phrase.

in the form of cash or tax remission, the amount by which the taxes paid with respect to the project exceed 10 per centum of the annual shelter rents charged in such project: *Provided further,* That, prior to execution of the contract for annual contributions the public housing agency shall, in the case of a tax-exempt project, notify the governing body of the locality of its estimate of the annual amount of such payments in lieu of taxes and of the amount of taxes which would be levied if the property were privately owned, or, in the case where the project is taxed, its estimate of the annual amount of the local cash contribution, and shall thereafter include the actual amounts of such payments or contributions in its annual report. Contracts for annual contributions entered into prior to the effective date of the Housing Act of 1964 [1] may be amended in accordance with the first sentence of this subsection.

(i)[2] Notwithstanding any other provision of law or any contract or other arrangement made pursuant thereto, any public housing agency which utilizes public services and facilities of a municipality or other local governmental agency making charges therefor separate from real and personal property taxes shall be authorized by the Authority (without any amendment to the contract for annual contributions or deductions from payments in lieu of taxes otherwise payable) to pay to such municipality or other local governmental agency the amount that would be charged private persons or dwellings similarly situated for such facilities and services.

(j) Repealed.[3]

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[1] September 2, 1964.

[2] Sec. 204(b), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 164, redesignated the former sec. 15(10) of the United States Housing Act of 1937 as sec. 10(i) and repealed the former sec. 10(i). Immediately prior to repeal by sec. 204(b), sec. 10(i) read as follows:

"(i) Notwithstanding any other provision of law, the Authority may enter into new contracts for loans and annual contributions for (1) not more than such number of dwelling units as does not exceed the number of units which were covered by annual contribution contracts on the date of enactment of the Housing Act of 1959 and are not built, the contracts therefor being canceled; and (2) additional dwelling units which, together with the dwelling units covered by new contracts entered into under clause (1), do not exceed thirty-seven thousand units: *Provided,* That the Authority may enter into only such new contracts for preliminary loans as are consistent with the number of dwelling units for which contracts for annual contributions may be entered into hereunder: *Provided further,* That no such new contract for annual contributions for additional units shall be entered into except with respect to low-rent housing for a locality respecting which the Housing and Home Finance Administrator has made the determination and certification relating to a workable program as prescribed in section 101(c) of the Housing Act of 1949, as amended: *And provided further,* That no new contracts for loans and annual contributions for additional dwelling units in excess of the number authorized in this sentence shall be entered into unless authorized by the Congress."

[3] Immediately prior to repeal by sec. 206(c), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 165, subsection 10(j) read as follows:

"(j) Every contract made pursuant to this Act for annual contributions for any low-rent housing project for which no such contract has been entered into prior to the enactment of the Housing Act of 1954 shall provide that—

(1) after payment in full of all obligations of the public housing agency in connection with the project for which any annual contributions are pledged, and until the total amount of annual contributions paid by the Authority in respect to such project has been repaid pursuant to the provisions of this subsection, (a) all receipts in connection with the project in excess of expenditures necessary for management, operation, maintenance, or financing, and for reasonable reserves therefor, shall be paid annually to the Authority and to local public bodies which have contributed to the project in the form of tax exemption or otherwise, in proportion to the aggregate contribution which the Authority and such local public bodies have made to the project, and (b) no debt in respect to the project, except for necessary expenditures for the project, shall be incurred by the public housing agency;

(2) if, at any time, the project or any part thereof is sold, such sale shall be to the

(k)[1] All expenditures of appropriations for the payment of annual contributions shall be subject to audit and final settlement by the Comptroller General of the United States under the provisions of the Budget and Accounting Act of 1921, as amended.

(l)[2] In any community where it has been determined by resolution or ordinance, or by referendum, that a project shall be liquidated by sale thereof to private ownership, such community may negotiate with the Federal Government with respect to the sale of the project, and the Authority shall agree that sale of the project may be made after public advertisement to the highest bidder upon (1) payment and retirement of all outstanding obligations (together with any interest payable thereon and any premiums prescribed for the redemption of any bonds, notes, or other obligations prior to maturity) in connection with the project, and (2) payment of any proceeds received from the sale of the project in excess of the amounts required to comply with the requirements of the preceding clause numbered (1) to the Authority and to local public bodies in proportion to the aggregate contribution which the Authority and such local public bodies have made to the project.

(m) Repealed.[3]

CAPITAL GRANTS IN ASSISTANCE OF LOW RENTALS

SEC. 11 (a) As an alternative method of assistance to that provided in section 10, when any public housing agency so requests and demonstrates to the satisfaction of the Authority that such alternative method is better suited to the purpose of achieving and maintaining low rentals and to the other purposes of this Act, capital grants may be made to such agency for such purposes. The capital grants thus made for any low-rent-housing or slum-clearance project shall be paid in connection with its development or acquisition, and shall be strictly limited to the amounts necessary, in the determination of the Authority, to assure its low-rent character.

(b) Pursuant to subsection (a) of this section, the Authority may

highest responsible bidder after advertising, or at fair market value, and the proceeds of such sale together with any reserves, after application to any outstanding debt of the public housing agency in respect to such project, shall be paid to the Authority and local public bodies as provided in clause 1(a) of this subsection: *Provided,* That the amounts to be paid to the Authority and the local public bodies shall not exceed their respective total contribution to the project."

[1] Subsection (k) was added by sec. 405 of the Housing Act of 1954, Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 590, 633.

[2] Subsection (l) was added by sec. 406 of the Housing Act of 1954, Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 590, 633.

[3] Subsection 10(m) repealed by sec. 205(b), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 164. See also sec. 10(g) as amended by sec. 205(a) of the Housing Act of 1961.

Immediately prior to repeal subsection 10(m) read as follows:

"For the purpose of increasing the supply of low-rent housing for elderly families, the Authority may assist the construction of new housing or the remodeling of existing housing in order to provide accommodations designed specifically for such families. Notwithstanding the provisions of subsection 10(g), any public housing agency, in respect to dwelling units suitable to the needs of elderly families, may extend a prior preference to such families and may waive the provisions of clause (ii) of section 15(8)(b) with respect to such units: *Provided,* That, as among such families, the "First" preference in subsection 10(g) shall apply."

make a capital grant for any low-rent housing or slum-clearance project, which shall in no case exceed 25 per centum of its development or acquisition cost.

(c) All payments of capital grants by the Authority pursuant to subsection (b) of this section shall be made out of any funds available to the Authority, except that its capital and its funds obtained through the issuance of obligations pursuant to section 20 (including repayments or other realizations of the principal of loans made out of such capital and funds) shall not be available for the payment of such capital grants.

(d) The Authority is authorized, on or after the date of the enactment of this Act to make capital grants (pursuant to subsection (b) of this section) aggregating not more than $10,000,000, on or after July 1, 1938, to make additional capital grants aggregating not more than $10,000,000, and on or after July 1, 1939, to make additional capital grants aggregating not more than $10,000,000. Without further authorization from Congress, no capital grants beyond those herein authorized shall be made by the Authority.

(e) To supplement any capital grant made by the Authority in connection with the development of any low-rent-housing or slum-clearance project, the President may allocate to the Authority, from any funds available for the relief of unemployment, an additional capital grant to be expended for payment of labor used in such development: *Provided,* That such additional capital grant shall not exceed 15 per centum of the development cost of the low-rent-housing or slum-clearance project involved.

(f) No capital grant pursuant to this section shall be made for any low-rent-housing or slum-clearance project unless the public housing agency receiving such capital grant shall also receive, from the State, political subdivision thereof, or otherwise, a contribution for such project (in the form of cash, land, or the value, capitalized at the going Federal rate of interest, of community facilities or services for which a charge is usually made, or tax remissions or tax exemptions) in an amount not less than 20 per centum of its development or acquisition cost.

DISPOSAL OF FEDERAL PROJECTS

SEC. 12. (a) It is hereby declared to be the purpose of Congress to provide for the orderly disposal of any low-rent-housing projects hereafter transferred to or acquired by the Authority through the sale or leasing of such projects as hereinafter provided; and, in order to continue the relief of Nation-wide unemployment and in order to avoid waste pending such sale or lease, to provide for the completion and temporary administration of such projects by the Authority.

(b) As soon as practicable the Authority shall sell its Federal projects or divest itself of their management through leases.

(c) The Authority may sell a Federal project only to a public housing agency. Any such sale shall be for a consideration, in whatever form may be satisfactory to the Authority, equal at least to the amount which the Authority determines to be the fair value of the project for housing purposes of a low-rent character (making such adjustment as the Authority deems advisable for any annual contributions which may hereafter be given hereunder in aid of the project), less such allowance for depreciation as the Authority shall fix. Such project shall then become eligible for loans pursuant to section 9, and either annual contributions pursuant to section 10 or a capital grant pursuant to section 11. Any obligation of the purchaser accepted by the Authority as part of the consideration for the sale of such project shall be deemed a loan pursuant to section 9.

(d) The Authority may lease any Federal low-rent-housing project, in whole or in part, to a public housing agency. The lessee of any project, pursuant to this paragraph, shall assume and pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, and shall pay to the Authority such annual sums as the Authority shall determine are consistent with maintaining the low-rent character of such project. The provisions of section 321 of the Act of June 30, 1932 (U.S.C., 1934 edition, title 40, sec. 303 b), shall not apply to any lease pursuant to this Act.

(e) In the administration of any Federal low-rent-housing project pending sale or lease, the Authority shall fix the rentals at the amounts necessary to pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, plus such additional amounts as the Authority shall determine are consistent with maintaining the low-rent character of such project.

(f) There is hereby transferred to the Authority, effective not later than sixty days after the effective date of the Housing Act of 1950,[1] all right, title, and interest, including contractual rights and reversionary interests, held by the Federal Government in and with respect to all labor supply centers, labor homes, labor camps, and facilities held in connection therewith and heretofore administered by the Secretary of Agriculture, for use as low-rent housing projects for families and persons of low income. Such projects when so transferred shall (notwithstanding any other provision of law) be low-rent housing projects subject to the provisions of this Act, except as otherwise provided in this subsection. Such projects shall be operated for the principal purpose of housing persons engaged in agricultural work, and preference for occupancy in such projects shall be given to agricultural workers and their families; the rents in such projects shall not be higher than the rents which such tenants can afford; and the provisions of the second, third, and fourth sentences of subsection 2 (1) of this

[1] An exchange of letters between the Secretary of Agriculture and the Public Housing Commissioner established June 19, 1950, as the date of transfer of the farm labor camps.

Act shall not be applicable to such projects. The Authority is authorized to enter into contracts for disposal of said projects by any of the methods provided in this Act, including disposal of any such project to a public housing agency for a consideration consisting of the payment by the public housing agency to the Authority during a term of not less than twenty years of all income therefrom after deduction of the amounts necessary for (i) reasonable and proper costs of management, operation, maintenance, and improvement of such project; (ii) payments in lieu of taxes not in excess of 10 per centum of shelter rents; (iii) establishment and maintenance of reasonable and proper reserves; and (iv) the payment of currently maturing installments of principal and interest on any indebtedness incurred in connection with such project by the public housing agency with the approval of the Authority. Pending sale or lease of said projects to public housing agencies, the Authority may continue present leases and permits, or may enter into new leases with public bodies or nonprofit organizations for the operation of such projects. Pending sale of such projects the Authority may make any necessary improvements thereto and may pay any deficits incurred in their improvement and administration out of any of the funds available to it under this Act. Appropriations to reimburse the Authority for any amounts expended pursuant to this subsection, in excess of the funds transferred with such projects, are hereby authorized.[1]

[2] Notwithstanding any other provision of law, upon the filing of a request therefor within eighteen months after the date of the enactment of this sentence,[3] the Authority shall relinquish, transfer, and convey, without monetary consideration, all of its rights, title, and interest in and with respect to any such project or any part thereof (including such land as is determined by the Authority to be reasonably necessary to the operation of such project, and including contractual rights to revenues, reserves, and other proceeds therefrom), (1) in the case of any State other than Florida, to any public housing agency whose area of operation includes the project, upon a finding and certification by the public housing agency (which shall be conclusive upon the Authority) that the project is needed to house persons and families of low income and that preference for occupancy in the project will be given first to low-income agricultural workers and their families and second to other low-income persons and their families; and (2) in the case of Florida, to any public housing agency in the State whenever, under the laws of

[1] Section 205(c) of Public Law 475, 81st Congress, approved April 20, 1950, 64 Stat. 48, provides as follows:

"(c) All unexpended receipts (notwithstanding any limitations in the second proviso of title I of Public Law 76, Eightieth Congress, under the heading of 'Farm Labor Supply Program') derived from the sales of labor supply centers, labor homes, labor camps, and facilities, and all other unexpended balances of funds available for the maintenance, operation, and liquidation of the properties transferred hereunder and for administrative expenses in connection therewith shall be transferred, upon the transfer of such properties, to the Public Housing Administration to be available, until expended, in accordance with the provisions of the United States Housing Act of 1937, as amended."

[2] This paragraph added by sec. 405 of the Housing Act of 1956, Public Law 1020, 84th Congress, approved August 7, 1956, 70 Stat. 1091, 1104.

[3] August 7, 1956.

the State, such agency (A) is authorized to acquire and operate such project, (B) is required to give preference for occupancy in such project, first, to low-income agricultural workers and their families, and second, to other low-income persons and their families, (C) is required, in the event of the disposition of such project by sale or otherwise, to use the proceeds thereof and any available accumulated earnings to construct facilities (which shall be subject to the same preferences as those specified in clause (B)) for occupancy by low-income agricultural workers and their families in the same area, and (D) is required, so long as it continues to own or operate such project, to have on its managing board one or more members whose principal occupation is farming. Upon the relinquishment and transfer of any such project it shall cease to be a low-rent project within the meaning of this Act, and the Authority shall have no further jurisdiction over it, except that in any conveyance under the preceding sentence the Authority may reserve to the United States any mineral rights of whatsoever nature upon, in, or under the property, including such rights of access to and the use of such parts of the surface of the property as may be necessary for mining and saving the minerals. Any project, or part thereof not relinquished and conveyed pursuant to this subsection or under a contract for disposal pursuant to this subsection within eighteen months after the date of the enactment of this sentence [1] shall be disposed of by the Authority pursuant to subsection (e) of section 13 of this Act, notwithstanding the parenthetical clause in such subsection.

GENERAL POWERS OF THE AUTHORITY

SEC. 13 (a) The Authority may foreclose on any property or commence any action to protect or enforce any right conferred upon it by any law, contract, or other agreement. The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or (pursuant to section 22 or otherwise) acquire or take possession of any project which it previously owned or in connection with which it has made a loan, annual contribution, or capital grant; and in such event the Authority may complete, administer, pay the principal of and interest on any obligations issued in connection with such project, dispose of, and otherwise deal with, such projects or parts thereof, subject, however, to the limitations elsewhere in this Act governing their administration and disposition.

(b) The acquisition by the Authority of any real property pursuant to this Act shall not deprive any State or political subdivision thereof of its civil and criminal jurisdiction in and over such property, or impair the civil rights under the State or local law of the inhabitants on such property; and, insofar as any such jurisdiction may have been taken away or any such rights impaired by reason of the acquisition of any property transferred to the Authority pursuant to section 4 (d), such jurisdiction and such rights are hereby fully restored.

[1] August 7, 1956.

(c) The Authority may enter into agreements to pay annual sums in lieu of taxes to any State or political subdivision thereof with respect to any real property owned by the Authority. The amount so paid for any year upon any such property shall not exceed the taxes that would be paid to the State or subdivision, as the case may be, upon such property if it were not exempt from taxation thereby.

(d) The Authority may procure insurance against any loss in connection with its property and other assets (including mortgages), in such amounts, and from such insurers, as it deems desirable.

(e) The Authority may sell or exchange at public or private sale, or lease, any real property (except low-rent-housing projects, the disposition of which is governed elsewhere in this Act) or personal property, and sell or exchange any securities or obligations, upon such terms as it may fix. The Authority may borrow on the security of any real or personal property owned by it, or on the security of the revenues to be derived therefrom, and may use the proceeds of such loans for the purposes of this Act.

SEC. 14. Subject to the specific limitations or standards in this Act governing the terms of sales, rentals, leases, loans, contracts for annual contributions, contracts for capital grants, or other agreements, the Authority may, whenever it deems necessary or desirable in the fulfillment of the purposes of this Act, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of annual contribution, or any other term, of any contract or agreement of any kind to which the Authority is a party or which has been transferred to it pursuant to this Act. When the Authority finds that it would promote economy or be in the financial interest of the Federal Government, any contract heretofore or hereafter made for annual contributions, loans, or both, may, with Presidential approval,[1] be amended or superseded by a contract of the Authority so that the going Federal rate on the basis of which such annual contributions or interest rate on the loans, or both, respectively, are fixed shall mean the going Federal rate, as herein defined, on the date of Presidential approval of such amending or superseding contract: *Provided,* That contracts may not be amended or superseded in a manner which would impair the rights of the holders of any outstanding obligations of the public housing agency involved for which annual contributions have been pledged. Any rule of law contrary to this provision shall be deemed inapplicable.

SEC. 15. In order to insure that the low-rent character of housing projects will be preserved, and that the other purposes of this Act will be achieved,[2] it is hereby provided that—

[1] See Executive Order 11196, 2-2.6, empowering the Housing and Home Finance Administrator to approve the amending or superseding of contracts, or both, without the approval, ratification, or other action of the President.

[2] The First Independent Offices Appropriation Act, 1954, Public Law 176, 83d Congress, approved July 31, 1953, 67 Stat. 298, 307 provides that the record of expenditure of the Public Housing Administration and of the local housing authority on any public housing project shall be open to examination by the responsible authorities of any community in which such project is located, or by the local public housing authority, or by any firm of public accountants retained by either of the foregoing.

(1) When a loan is made pursuant to section 9 for a low-rent-housing project the Authority may retain the right, in the event of a substantial breach of the condition (which shall be embodied in the loan agreement) providing for the maintenance of the low-rent character of the housing project involved or in the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going Federal rate (at the time of such breach or acquisition) plus 2 per centum per annum or to declare the unpaid principal on said loan due forthwith.

(2) When a loan is made pursuant to section 9 for a slum-clearance project the Authority shall retain the right, in the event of the leasing or acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going Federal rate (at the time of such leasing or acquisition) plus 2 per centum per annum or to declare the unpaid principal on said loan due forthwith.

(3) When a contract for annual contributions is made pursuant to section 10, the Authority shall retain the right, in the event of a substantial breach of the condition (which shall be embodied in such contract) providing for the maintenance of the low-rent character of the housing project involved, to reduce or terminate the annual contributions payable under such contract. In the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, such annual contribution shall terminate.

(4) The Authority may also insert in any contract for loans, annual contributions, capital grants, sale, lease, mortgage, or any other agreement or instrument made pursuant to this Act, such other covenants, conditions, or provisions as it may deem necessary in order to insure the low-rent character of the housing project involved: *Provided,* That any such contract for a substantial loan may contain a condition requiring the maintenance of an open space or playground in connection with the housing project involved if deemed necessary by the Authority for the safety or health of children.

(5) Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants for any low-rent housing project completed after January 1, 1948, shall provide that the cost for construction and equipment of such project (excluding land, demolition, and nondwelling facilities) on [1] which the computation of any annual contributions under this Act may be based shall not

[1] Sec. 206(a)(1), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 164, inserted "on which the computation of any annual contributions under this Act may be based."

exceed $2,000 [1] per room ($3,000 [2] per room in the case of Alaska, or in the case of accommodations designed specifically for elderly families $3,000 per room and $3,500 per room in the case of Alaska): *Provided,* That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than $750 per room the limitations that would otherwise be applicable to such project hereunder. Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants with respect to any low-rent housing project initiated after March 1, 1949, shall provide that such project shall be undertaken in such a manner that it will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every such contract shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract. [3] Every contract made pursuant to this Act for loans, annual contributions, or capital grants, with respect to a project for which the preparation of plans, drawings, and specifications has not been started or contracted for prior to the date of enactment of the Housing Act of 1957, shall require that such plans, drawings, and specifications follow the principle of modular measure in every case deemed feasible by the public housing agency, in order that the housing may be built by conventional construction, on-site fabrication, factory pre-cutting, factory fabrication, or any combination of these construction methods.

(6) [4] Any contract for loans or annual contributions, or both, entered

[1] Sec. 401(b) of the Housing Act of 1957, Public Law 85-104, 85th Congress, approved July 12, 1957, 71 Stat. 294, 302, substituted "$2,000" for "$1,750".

[2] Sec. 206(a)(2), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 164, increased the public housing cost limit per room in Alaska (1) from $2,500 to $3,000, and (2), in the case of elderly families, from $2,500 to $3,000, and in the case of elderly families in Alaska, from $2,500 to $3,500.

[3] This sentence added by sec. 401(c) of the Housing Act of 1957, Public Law 85-104, 85th Congress, approved July 12, 1957, 71 Stat. 294, 302.

[4] Sec. 206(a)(4), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 165, deleted the following paragraph (6) and renumberd this paragraph (formerly numbered (9)) to be paragraph (6):

"(6) Notwithstanding the provisions of subsection (5) of this section, or of any other section of this Act, the Authority is authorized to make capital grants, loans, or annual contributions for low-rent-housing or slum-clearance projects, in the full amount of any sums previously allocated pursuant to this Act, to any public housing agency, at the request of such agency, upon condition that such agency will pay, or cause to be paid by the State or political subdivision, such proportion of the total development cost of the project as the amount of the average actual cost per family dwelling unit of the items covered by the applicable cost limitations prescribed in subsection (5) of this section in excess thereof bears to such average actual cost: *Provided,* That the amount of any such payment shall be excluded from the base on which the maximum amount of any capital grants, loans, or annual contributions authorized by this Act are calculated. The receipt of capital grants, loans, or annual contributions by any public-housing agency pursuant to this subsection shall in no way prejudice or impair the rights or privileges of such agency to participate fully in other low-rent-housting or slum-clearance projects under this Act or any other law. Nothing in this subsection shall prejudice the right of those public housing agencies which can, by reason of lesser need, or would prefer to delay the starting of their proposed building operations until labor and material costs stabilize at levels consistent with the cost limitations prescribed in subsection (5) of this section."

into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this Act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project.

(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

(a) The Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and planning in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and

(b) the Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, (i) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this Act; (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 per centum (except in the case of a displaced family or an elderly family) has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof;[1] and (iii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a feasible method for the temporary relocation of the individuals and families displaced from the project site, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of such individuals and families,

[1] Added by sec. 405(a), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 795.
Sec. 405(b) of the Housing Act of 1964 provided that the amendments made by subsection(a) shall not be applicable to any project for which an application for preliminary loan has been approved by the local governing body prior to the date of the enactment of this Act (September 2, 1964).

decent, safe, and sanitary dwellings equal in number to the number of and available to such individuals and families and reasonably accessible to their places of employment.

(8)[1] The Authority may authorize the cost of relocation payments made by public housing agencies to be included with the development or acquisition cost of any project for purposes of determining the amount of loans and annual contributions authorized to be made with respect to such project under sections 9 and 10, but such costs shall be separately stated as relocation costs. For purposes of this paragraph, a 'relocation payment' is a payment (i) which is made to an individual, family, business concern, or nonprofit organization displaced on or after January 27, 1964, from a low-rent housing project site as a result of the acquisition of real property by a public housing agency, (ii) which is not otherwise authorized under any Federal law, and (iii) which is made only on such terms and conditions, and subject to such limitations, as are authorized (as of the time such payment is approved) under section 114 (b) or (c) of the Housing Act of 1949 for relocation payments made to individuals, families, business concerns, or nonprofit organizations, as the case may be.

(9)[2]

(10)[3]

SEC. 16. In order to protect labor standards—

(1) The provisions of the Act of August 30, 1935, entitled "An Act to amend the Act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings" (49 Stat. 1011), and of the Act of August 24, 1935, entitled "An Act requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by an additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public buildings or public work" (U.S.C., 1934 edition, Supp. II, title 40, secs. 270a to 270d, inclusive), shall apply to contracts in connection with the development or administration of Federal projects and the furnishing of materials and labor for such projects: *Provided,* That suits shall be brought in the name of the Authority and that the Authority shall itself perform the duties prescribed by section 3 (a) of the Act of August 30, 1935, and section 3 of the Act of August 24, 1935.

(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this Act shall contain a provision requiring

[1] Added by sec. 406, Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 795, 796.
[2] This paragraph (9) redesignated as paragraph (6) by sec. 206(a)(3), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 165.
[3] This paragraph (10) of sec. 15 redesignated as sec. 10(i) by sec. 204(b), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 164.

that not less than the salaries or wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all architects, technical engineers, draftsmen, and technicians, employed in the development and to all maintenance laborers and mechanics employed in the administration of the low-rent housing or slum-clearance project involved; and shall also contain a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (49 Stat. 1011), shall be paid to all laborers and mechanics employed in the development of the project involved; and the Authority shall require certification as to compliance with the provisions of this paragraph prior to making any payment under such contract.

(3) The Act entitled "An Act limiting the hours of daily services of laborers and mechanics employed upon work done for the United States, or for any Territory, or for the District of Columbia, and for other purposes", as amended (37 Stat. 137), shall apply to contracts of the Authority for work in connection with the development and administration of Federal projects.

(4) The benefits of the Act entitled "An Act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes" (39 Stat. 742), shall extend to officers and employees of the Authority.

(5) The provisions of sections 1 and 2 of the Act of June 13, 1934 (U.S.C., 1934 edition, title 40, secs. 276b and 276c), shall apply to any low-rent-housing or slum-clearance project financed in whole or in part with funds made available pursuant to this Act.

(6) Repealed.[1]

FINANCIAL PROVISIONS

SEC. 17. The Authority shall have a capital stock of $1,000,000, which shall be subscribed by the United States and paid by the Secretary of the Treasury out of any available funds. Receipts for such payment shall be issued to the Secretary of the Treasury by the Authority and shall evidence the stock ownership of the United States of America.

SEC. 18. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $26,000,000 for the fiscal year ending June 30, 1938, of which $1,000,000 shall be available to pay the subscription to the capital stock of the

[1] Repealed by section 404 of the Housing Act of 1954, Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 590, 633. Paragraph 6 provided for monthly reports to the Secretary of Labor by contractors and subcontractors engaged on projects financed in whole or in part with funds made available pursuant to the United States Housing Act of 1937. Such reports related to the number of persons employed on the particular project, the aggregate amount of pay rolls covering each project, the total man-hours worked, and itemized expenditures for materials. Contractors were also required to furnish the names and addresses of subcontractors on each such project.

Authority. Such sum, and all receipts and assets of the Authority, shall be available for the purposes of this Act until expended.

SEC. 19. Any funds available under any Act of Congress for allocation for housing or slum clearance may, in the discretion of the President, be allocated to the Authority for the purposes of this Act.

SEC. 20. The Authority may issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount not to exceed $1,500,000,000. Such notes or other obligations shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Authority with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or other obligations by the Authority. The Secretary of the Treasury is authorized and directed to purchase any notes or other obligations of the Authority issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

SEC. 21. (a) Any money of the Authority not otherwise employed may be deposited, subject to check, with the Treasurer of the United States or in any Federal Reserve bank, or may be invested in obligations of the United States or used in the purchase or retirement or redemption of any obligations issued by the Authority.

(b) The Federal Reserve banks are authorized and directed to act as depositories, custodians, and fiscal agents for the Authority in the general exercise of its powers, and the Authority may reimburse any such bank for its services in such manner as may be agreed upon.

(c) The Authority may be employed as a financial agent of the Government. When designated by the Secretary of the Treasury, and subject to such regulations as he may prescribe, the Authority shall be a depository of public money, except receipts from customs.

(d) Repealed.[1]

[1] This subsection repealed by sec. 204(c), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 164. See also sec. 10(e) as amended by sec. 204(a) of the Housing Act of 1961.
Immediately prior to repeal subsection (d) read as follows:
"Not more than 15 per centum of the total annual amount of $336,000,000 provided in this Act for annual contributions, nor more than 15 per centum of the amounts provided for in this Act for grants, shall be expended within any one State."

PRIVATE FINANCING

SEC. 22. To facilitate the enlistment of private capital [1] through the sale by public housing agencies of their bonds and other obligations to others than the Authority, in financing low-rent housing projects, and to maintain the low-rent character of housing projects—

(a) Every contract for annual contributions (including contracts which amend or supersede contracts previously made) may provide that—

(1) upon the occurrence of a substantial default in respect to the covenants or conditions to which the public housing agency is subject (as such substantial default shall be defined in such contract), the public housing agency shall be obligated at the option of the Authority, either to convey title in any case where, in the determination of the Authority (which determination shall be final and conclusive), such conveyance of title is necessary to achieve the purposes of this Act, or to deliver possession to the Authority of the project, as then constituted, to which such contract relates;

(2) the Authority shall be obligated to reconvey or to redeliver possession of the project, as constituted at the time of reconveyance or redelivery, to such public housing agency or to its successor (if such public housing agency or a successor exists) upon such terms as shall be prescribed in such contract and as soon as practicable: (i) after the Authority shall be satisfied that all defaults with respect to the project have been cured, and that the project will, in order to fulfill the purposes of this Act, thereafter be operated in accordance with the terms of such contract; or (ii) after the termination of the obligation to make annual contributions available unless there are any obligations or covenants of the public housing agency to the Authority which are then in default. Any prior conveyances and reconveyances, deliveries and redeliveries of possession shall not exhaust the right to require a conveyance or delivery of possession of the project to the Authority pursuant to subparagraph (1), upon the subsequent occurrence of a substantial default.

(b) Whenever such contract for annual contributions shall include provisions which the Authority, in said contract, determines are in accordance with subsection (a) hereof, and the annual contributions, pursuant to such contract, have been pledged by the public housing agency as security for the payment of the principal and interest on any of its obligations, the Authority (notwithstanding any other provisions of this Act) shall continue to make annual contributions available

[1] The First Independent Offices Appropriation Act, 1954, Public Law 176, 83d Congress, approved July 31, 1953, 67 Stat. 298, 315, provides that during fiscal 1954 the PHA Commissioner shall make every effort to refund all local bonds held by the Public Housing Administration under the United States Housing Act of 1937, as amended. The Independent Offices Appropriation Act, 1955, Public Law 428, 83d Congress, approved June 24, 1954, 68 Stat. 273, 297, provided that the Commissioner should continue to make this effort.

for the project so long as any of such obligations remain outstanding, and may covenant in such contract (in lieu of the provision required by the first sentence of subsection 15 (3) of this Act and notwithstanding any other provisions of law) that in any event such annual contributions shall in each year be at least equal to an amount which, together with such income or other funds as are actually available from the project for the purpose at the time such annual contribution is made, will suffice for the payment of all installments, falling due within the next succeeding twelve months, of principal and interest on the obligations for which the annual contributions provided for in the contract shall have been pledged as security: *Provided,* That such annual contributions shall not be in excess of the maximum sum determined pursuant to the first proviso of subsection 10 (b), or, where applicable, the second proviso of subsection 10 (c); and in no case shall such annual contributions be in excess of the maximum sum specified in the contract involved, nor for longer than the remainder of the maximum period fixed by the contract.

(c)[1] Obligations of a public housing agency which (1) are secured either (A) by a pledge of a loan under an agreement between such public housing agency and the Authority, or (B) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Authority, and (2) bear, or are accompanied by, a certificate of the Authority that such obligations are so secured, shall be incontestable in the hands of a bearer, and the full faith and credit of the United States is pledged to the payment of all amounts agreed to be paid by the Authority as security for such obligations.

PENALTIES

SEC. 23. All general penal statutes relating to the larceny, embezzlement, or conversion or to the improper handling, retention, use, or disposal of public moneys or property of the United States shall apply to the moneys and property of the Authority and to moneys and properties of the United States entrusted to the Authority.

SEC. 24. Repealed.[2]

SEC. 25. Repealed.[2]

SEC. 26. Repealed.[2]

SEC. 27. Repealed.[2]

SEC. 28. Wherever the application of the provisions of this Act conflicts with the application of the provisions of Public Numbered 837, approved June 29, 1936 (49 Stat. 2025), Public Numbered 845, approved June 29, 1936 (49 Stat. 2035), or any other Act of the United

[1] Added by sec. 302(b), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 166.

[2] Repealed by Public Law 772, 80th Congress, approved June 25, 1948, 62 Stat. 683, Sections **24, 25, 26 and 27 defined criminal acts and provided the penalties therefor relating to the low-rent public housing program. Public Law 772 revised and codified these provisions. See title 18 United States Code (1946 ed. Supp. III) sections 641, 709 and 1012 for the criminal provisions formerly set forth in sections 24 through 27.**

States dealing with housing or slum clearance, or any Executive order, regulation, or other order thereunder, the provisions of this Act shall prevail.

SEC. 29. The President is hereby authorized to make available to the Alley Dwelling Authority,[1] from any funds appropriated or otherwise provided to carry out the purposes of this Act, such sums as he deems necessary to carry out the purposes of the District of Columbia Alley Dwelling Act, approved June 12, 1934 (Public Numbered 307, Seventy-third Congress). Such sums shall be deposited in the Conversion of Inhabited Alleys Fund and thereafter shall remain immediately available for the purposes of the District of Columbia Alley Dwelling Act.

SEC. 30. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 31. This Act may be cited as the "United States Housing Act of 1937."

Approved, September 1, 1937.

[1] Executive Order 9344, dated May 21, 1943, changed the name of The Alley Dwelling Authority to the National Capital Housing Authority.

8. Low-Rent Public Housing

1. Authorization

## 2. CONVERSION OF STATE LOW-RENT OR VETERANS' HOUSING PROJECTS TO PUBLIC HOUSING

**[Excerpt from Housing Act of 1949, Public Law 171, 81st Congress 63 Stat. 413, 440]**

* * *

Sec. 606. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937,[1] as amended, if (a) a contract for State financial assistance for such project was entered into on or after January 1, 1948, and prior to January 1, 1950, (b) the project is or can become eligible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided,* That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project. Section 503 of the Housing Act of 1948[2] is hereby repealed.

* * *

Approved July 15, 1949

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[1] See 8-1.1 for the provisions of this Act.

[2] Sec. 503 of the Housing Act of 1948 provided as follows:

"SEC. 503. Any low-rent or veterans' housing project undertaken or constructed under a program of a State or any political subdivision thereof and with the express purpose indicated in the State legislation of converting the project to a project with Federal assistance (if and when such Federal assistance becomes available), shall be approved as a low-rent housing project under the terms of the United States Housing Act of 1937, as amended, if (a) a contract for State financial assistance for such project was entered into prior to January 1, 1949, (b) the project is or can become eigible for assistance by the Public Housing Administration in the form of loans and annual contributions under the provisions of the United States Housing Act of 1937, as amended, and (c) the State or the public housing agency operating the project in the State makes application to the Public Housing Administration for Federal assistance for the project under the terms of the United States Housing Act of 1937, as amended: *Provided,* That loans made by the Public Housing Administration for the purpose of so converting the project to a project with Federal assistance shall be deemed, for the purposes of the provisions of section 9 and other sections of the United States Housing Act of 1937, to be loans to assist the development of the project."

8. Low-Rent Public Housing
1. Authorization

## 3. RESTRICTIONS IN INDEPENDENT OFFICES APPROPRIATION ACT, 1952

[Public Law 137, 82d Congress, 65 Stat. 268]

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# HOUSING AND HOME FINANCE AGENCY

* * *

PUBLIC HOUSING ADMINISTRATION

Annual contributions: For the payment of annual contributions to public housing agencies in accordance with section 10 of the United States Housing Act of 1937, as amended (42 U.S.C. 1410), $10,000,000: *Provided,* That except for payments required on contracts entered into prior to April 18, 1940, no part of this appropriation shall be available for payment to any public housing agency for expenditure in connection with any low-rent housing project, unless the public housing agency shall have adopted regulations prohibiting as a tenant of any such project by rental or occupancy any person other than a citizen of the United States, but such prohibition shall not be applicable in the case of a family of any serviceman or the family of any veteran who has been discharged (other than dishonorably) from, or the family and any serviceman who died in, the Armed Forces of the United States within four years prior to the date of application for admission to such housing: *Provided further,* That all expenditures of this appropriation shall be subject to audit and final settlement by the Comptroller General of the United States under the provisions of the Budget and Accounting Act of 1921, as amended: *Provided further,* That notwithstanding the provisions of the United States Housing Act of 1937, as amended, the Public Housing Administration shall not, with respect to projects initiated after March 1, 1949, authorize during the fiscal year 1952 the commencement of construction of in excess of fifty thousand dwelling units: *Provided further,*[1] That the Public Housing Administration shall not, after the date of approval of this Act, authorize the construction of any projects initiated before or after March 1, 1949, in any locality in which such projects have been or may hereafter be rejected by the governing body of the locality or by public vote, unless such projects have been subsequently approved by the same procedure through which such rejection was expressed.

* * *

Approved August 31, 1951

[1] This proviso is the so-called "Roanoke amendment". The Comptroller General's decision B-129759, dated November 28, 1956, held that this proviso had been superseded by the "Phillips" proviso (see 8-1.6). As a result of this decision, a project rejected locally, such as by a referendum, need no longer be approved subsequently by the same procedure by which it was rejected. It can only be approved subsequently by the governing body.

8. Low-Rent Public Housing
1. Authorization

## 4. RESTRICTIONS IN INDEPENDENT OFFICES APPROPRIATION ACT, 1953

[Public Law 455, 82d Congress, 66 Stat. 393, 403]

* * *

# HOUSING AND HOME FINANCE AGENCY

* * *

PUBLIC HOUSING ADMINISTRATION

Annual contributions: For the payment of annual contributions to public housing agencies in accordance with section 10 of the United States Housing Act of 1937, as amended (42 U.S.C. 1410), $29,880,000: *Provided,* That except for payments required on contracts entered into prior to April 18, 1940, no part of this appropriation shall be available for payment to any public housing agency for expenditure in connection with any low-rent housing project, unless the public housing agency shall have adopted regulations prohibiting as a tenant of any such project by rental or occupancy any person other than a citizen of the United States, but such prohibition shall not be applicable in the case of a family of any serviceman or the family of any veteran who has been discharged (other than dishonorably) from, or the family of any serviceman who died in, the Armed Forces of the United States within four years prior to the date of application for admission to such housing: *Provided further,* That all expenditures of this appropriation shall be subject to audit and final settlement by the Comptroller General of the United States under the provisions of the Budget and Accounting Act of 1921, as amended: *Provided further,* That notwithstanding the provisions of the United States Housing Act of 1937, as amended, the Public Housing Administration shall not, with respect to projects initiated after March 1, 1949, (1) authorize during the fiscal year 1953 the commencement of construction of in excess of thirty-five thousand dwelling units, or (2)[1] after the date of approval of this Act, enter into any agreement, contract, or other arrangement which will bind the Public Housing Administration with respect to loans, annual contributions, or authorizations for commencement of construction, for dwelling units aggregating in excess of thirty-five thousand to be authorized for commencement of construction during any one fiscal year subsequent to the fiscal year 1953, unless a greater number of units is hereafter authorized by the Congress: *Provided further,*[2] That the Public Housing Administration shall not, after the date of approval of this

[1] Clause 2 repealed by sec. 401(b) of the Housing Act of 1956, Public Law 1020, 84th Congress, approved August 7, 1956, 70 Stat. 1091, 1103.

[2] This proviso is the so-called "Roanoke amendment" originally enacted in the Independent Offices Appropriation Act, 1952 (see 8-1.3). The Comptroller General's decision B-129759, dated November 28, 1956, held that this proviso had been superseded by the "Phillips" proviso (see 8-1.6). As a result of this decision, a project rejected locally, such as by a referendum, need no longer be approved subsequently by the same procedure by which it was rejected. It can only be approved subsequently by the governing body.

Act, authorize the construction of any projects initiated before or after March 1, 1949, in any locality in which such projects have been or may hereafter be rejected by the governing body of the locality or by public vote, unless such projects have been subsequently approved by the same procedure through which such rejection was expressed: *Provided further,* That no housing unit constructed under the United States Housing Act of 1937, as amended, shall be occupied by a person who is a member of an organization designated as subversive by the Attorney General: *Provided further,* That the foregoing prohibition shall be enforced by the local housing authority, and that such prohibition shall not impair or affect the powers or obligations of the Public Housing Administration with respect to the making of loans and annual contributions under the United States Housing Act of 1937, as amended.

* * *

Approved July 5, 1952

8. Low-Rent Public Housing
1. Authorization

## 5. RESTRICTION IN THE SUPPLEMENTAL APPROPRIATION ACT, 1953

[Public Law 547, 82d Congress, 66 Stat. 637, 644]

* * *

# HOUSING AND HOME FINANCE AGENCY

OFFICE OF THE ADMINISTRATOR

DEFENSE HOUSING

For an additional amount for "Defense housing", including not to exceed $1,433,735 for administrative expenses of the Public Housing Administration in connection with construction of housing under such appropriation, $50,000,000, to remain available until expended: *Provided,* That the funds hereby appropriated shall not be available in excess of the amount now or hereafter authorized to be appropriated to the Housing and Home Finance Agency for defense housing by title III of the Defense Housing and Community Facilities and Services Act of 1951:[1] *Provided further,* That no part of the foregoing appropriation shall be used for the construction of any project unless funds are available for the completion of such project. No[2] part of this appropriation may be used for administrative expenses or to pay salaries to any employee within the Public Housing Administration or for any other purpose so long as that agency proceeds with any public-housing project after such project has been rejected or previous approval thereof canceled by the governing body of the locality by resolution or otherwise or by public vote and the governing body has tendered the United States full reimbursement of Federal funds advanced on such project prior to such cancellation and a release from all obligations incurred under such project.

* * *

Approved July 15, 1952

[1] See 9-2-1.2.

[2] This sentence constitutes the so-called "McDonough Amendment".

8. Low-Rent Public Housing
1. Authorization

## 6. RESTRICTIONS IN THE FIRST INDEPENDENT OFFICES APPROPRIATION ACT, 1954

[Public Law 176, 83d Congress, 67 Stat. 298, 306]

* * *

# HOUSING AND HOME FINANCE AGENCY

* * *

PUBLIC HOUSING ADMINISTRATION

* * *

Annual contributions: For the payment of annual contributions to public housing agencies in accordance with section 10 of the United States Housing Act of 1937, as amended (42 U. S. C. 1410), $32,500,000: *Provided,* That except for payments required on contracts entered into prior to April 18, 1940, no part of this appropriation shall be available for payment to any public housing agency for expenditure in connection with any low-rent housing project, unless the public housing agency shall have adopted regulations prohibiting as a tenant of any such project by rental or occupancy any person other than a citizen of the United States, but such prohibition shall not be applicable in the case of a family of any serviceman or the family of any veteran who has been discharged (other than dishonorably) from, or the family of any serviceman who died in, the Armed Forces of the United States within four years prior to the date of application for admission to such housing: *Provided further,* That all expenditures of this appropriation shall be subject to audit and final settlement by the Comptroller General of the United States under the provisions of the Budget and Accounting Act of 1921, as amended: *Provided further,*[1] That unless the governing body of the locality agrees to its completion, no housing shall be authorized by the Public Housing Administration, or, if under construction continue to be constructed, in any community where the people of that community, by their duly elected representatives, or by referendum, have indicated they do not want it, and such community shall negotiate with the Federal Government for the completion of such housing, or its abandonment, in whole or in part, and shall agree to repay to the Government the moneys expended prior to the vote or other formal action whereby the community rejected such housing project for any such projects not to be completed plus such amount as may be required to pay all costs and liquidate all obligations lawfully incurred by the local housing authority prior to such rejection in connection with any project not to be completed: *Provided further,*[1] That, in any case where the Public Housing Administration (after the approvals on the part of the governing body of the locality required by law) has entered into

[1] The so-called "Los Angeles Amendment" or "Phillips amendment."

a financial assistance contract with a local housing authority covering any low-rent housing projects to be constructed in such locality and, (a) thereafter but prior to the effective date of this Act, a majority of the members of the governing body of the locality, and the people of the locality have voted against any such low-rent housing projects, and (b) the local housing authority and the governing body of the locality agree to a modification of the agreement providing the required local cooperation in connection with such low-rent housing projects, the preceding proviso shall not be applicable and: (1) the Public Housing Administration shall not, unless the governing body of the locality shall, by resolution, request such action, (a) authorize the award of any contract for the construction of any such low-rent housing project, or (b) make any further advance of funds on account of any such project for which the main construction contract has not heretofore been awarded, excepting only such funds as may be required by the local housing authority (i) to pay all costs and liquidate all obligations heretofore properly incurred by it in connection with any such project which pursuant to such modification is to be terminated and (ii) to pay costs in connection with the liquidation (including the sale of land or other assets) of any such terminated project; (2) in the liquidation of any such terminated project no claim shall be made by the local housing authority or the Public Housing Administration against the locality or its governing body on account of such termination; (3) the Public Housing Administration shall absorb as a loss, and shall release the local housing authority from, all claims, if any, of said Administration in connection with such terminated project in excess of the net amount realized from the sale by the local housing authority of all land (which if sold to other than a public agency shall be after public advertisement to the highest responsible bidder but if sold to a public agency may be at a price equal to the purchase price of the land, exclusive of improvements, as approved by the Public Housing Commissioner) and other assets acquired and held in connection with such terminated project; and (4) the Secretary of the Treasury shall credit as a payment upon the note or notes of the Public Housing Administration executed and delivered in connection with funds obtained pursuant to section 20 of the United States Housing Act of 1937, as amended, an amount equal to such loss as certified by the Public Housing Commissioner: *Provided further,* That the record of expenditure of the Public Housing Administration and of the local housing authority on any public housing project shall be open to examination by the responsible authorities of any community in which such project is located, or by the local public housing authority, or by any firm of public accountants retained by either of the foregoing: *Provided further,*[1] That no housing unit constructed under the United States Housing Act of 1937, as amended, shall be occupied by a person who is a member of an organization designated as subversive by the Attorney General: *Provided further,*[1] That the

[1] The so-called "Gwinn amendment". The Attorney General of the United States on April 26, 1956, held that the "Gwinn amendment" had expired.

foregoing prohibition shall be enforced by the local housing authority, and that such prohibition shall not impair or affect the powers or obligations of the Public Housing Administration with respect to the making of loans and annual contributions under the United States Housing Act of 1937, as amended.[1]

Approved July 31, 1953

[1] Sec. 505(b), Housing Act of 1959, Public Law 86-372, approved September 23, 1959, 73 Stat. 654, 681, repealed a final proviso which read as follows:
": *Provided further*, That notwithstanding the provisions of the United States Housing Act of 1937, as amended, the Public Housing Administration shall not, with respect to projects initiated after March 1, 1949, (1) authorize during the fiscal year 1954 the commencement of construction of in excess of twenty thousand dwelling units or (2) after the date of approval of this Act, enter into any new agreements, contracts, or other arrangements, preliminary or otherwise, which will ultimately bind the Public Housing Administration during fiscal year 1954 or for any future years with respect to loans or annual contributions for any additional dwelling units or projects unless hereafter authorized by the Congress to do so, and during the fiscal year 1954 the Housing and Home Finance Administrator shall make a complete analysis and study of the low-rent public housing program and, on or before February 1, 1954, shall transmit to the Appropriations Committees of the House and Senate his recommendations with respect to such low-rent public housing program".

**8. Low-Rent Public Housing**

**2. Subsistence Homesteads and Greentown Projects**

# 1. EXCERPTS FROM THE NATIONAL INDUSTRIAL RECOVERY ACT [1]

**[Public Law 67, 73d Congress; 48 Stat. 195, 200, 40 U.S.C. 401-414 (1946 ed.)]**

AN ACT to encourage national industrial recovery, to foster fair competition, and to provide for the construction of certain useful public works, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

* * *

## TITLE II—PUBLIC WORKS AND CONSTRUCTION PROJECTS

### FEDERAL EMERGENCY ADMINISTRATION OF PUBLIC WORKS [2]

SECTION 201. (a) To effectuate the purposes of this title, the President is hereby authorized to create a Federal Emergency Administration of Public Works, all the powers of which shall be exercised by a Federal Emergency Administrator of Public Works [1] (hereafter referred to as the "Administrator"), and to establish such agencies, to accept and utilize such voluntary and uncompensated services, to appoint, without regard to the civil service laws, such officers and employees, and to utilize such Federal officers and employees, and, with the consent of the State, such State and local officers and employees as he may find necessary, to prescribe their authorities, duties, responsibilities, and tenure, and, without regard to the Classification Act of 1923, as amended, to fix the compensation of any officers and employees so appointed. The President may delegate any of his functions and powers under this title to such officers, agents, and employees as he may designate or appoint.

(b) The Administrator may, without regard to the civil service laws or the Classification Act of 1923, as amended, appoint and fix the compensation of such experts and such other officers and employees

[1] 19,677 units of housing built under these provisions of the National Industrial Recovery Act are operated by local housing authorities as low-rent public housing under lease from the Public Housing Administration. 1,963 units are being directly operated by the Public Housing Administration.

[2] Executive Order 7732, October 27, 1937, transferred the Federal housing projects, funds, property and employees of the Federal Emergency Administration of Public Works to the United States Housing Authority.

Executive Order 7839, March 12, 1938, transferred certain housing and slum clearance projects from the Federal Emergency Administration of Public Works and the United States Housing Authority to the Puerto Rico Reconstruction Administration.

Executive Order 7934, July 16, 1938, transferred to the United States Housing Authority certain custodial and maintenance employees in the field service of the Federal Emergency Administration of Public Works engaged on Federal Housing projects.

Reorganization Plan No. 1, effective July 1, 1939, transferred the Federal Emergency Administration of Public Works and the United States Housing Authority to the Federal Works Agency created by the Plan.

Executive Order 9070, February 24, 1942, consolidated the functions, powers and duties of the United States Housing Authority and the functions, powers and duties of the Federal Works Agency relating to defense housing in the National Housing Agency created by the Order.

Reorganization Plan No. 3 of 1947, effective July 27, 1947, 2-1.1, consolidated the United States Housing Authority, together with its functions, in the Housing and Home Finance Agency, transferred to the Public Housing Commissioner the functions of the Administrator of the United States Housing Authority, and provided that the United States Housing Authority should thereafter be administered as the Public Housing Administration, a constituent agency of the Housing and Home Finance Agency.

as are necessary to carry out the provisions of this title; and may make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for law books and books of reference, and for paper, printing and binding) as are necessary to carry out the provisions of this title.

(c) All such compensation, expenses, and allowances shall be paid out of funds made available by this Act.

(d) After the expiration of two years after the date of the enactment of this Act, or sooner if the President shall by proclamation or the Congress shall by joint resolution declare that the emergency recognized by section 1 has ended, the President shall not make any further loans or grants or enter upon any new construction under this title, and any agencies established hereunder shall cease to exist and any of their remaining functions shall be transferred to such departments of the Government as the President shall designate:[3] *Provided,* That he may issue funds to a borrower under this title prior to January 23, 1939, under the terms of any agreement, or any commitment to bid upon or purchase bonds, entered into with such borrower prior to the date of termination, under this section, of the power of the President to make loans.

SEC. 202. The Administrator, under the direction of the President, shall prepare a comprehensive program of public works, which shall include among other things the following: * * *

(d) construction, reconstruction, alteration, or repair under public regulation or control of low-cost housing and slum clearance projects; * * *

SEC. 203. (a) With a view to increasing employment quickly (while reasonably securing any loans made by the United States) the President is authorized and empowered, through the Administrator or through such other agencies as he may designate or create, (1) to construct, finance, or aid in the construction or financing of any public-works project included in the program prepared pursuant to section 202; (2) upon such terms as the President shall prescribe, to make grants to States, municipalities, or other public bodies for the construction, repair, or improvement of any such project, but no such grant shall be in excess of 30 per centum of the cost of the labor and materials employed upon such project; (3) to acquire by purchase, or by exercise of the power of eminent domain, any real or personal property in connection with the construction of any such project, and to sell any security acquired or any property so constructed or acquired or to lease any such property with or without the privilege of purchase: *Provided,* That all moneys received from any such sale or lease or the repayment of any loan shall be used to retire obligations issued pursuant to section 209[4] of this Act, in addition to any other moneys required to be used for such purpose; * * *. The provisions of this section and

[3] The Federal Emergency Administration of Public Works was continued until June 30, 1937, by Public Resolution 11, 74th Congress, approved April 8, 1935, 49 Stat. 115; further continued to July 1, 1939, by Public Resolution 47, 75th Congress, approved June 29, 1937, 50 Stat. 352, 357; and further continued to June 30, 1941, by Public Resolution 122, 75th Congress, approved June 21, 1938, 52 Stat. 809, 817.

[4] So in original. Should be 210.

section 202 shall extent to public works in the several States, Hawaii, Alaska, the District of Columbia, Puerto Rico, the Canal Zone, and the Virgin Islands.

(b) All expenditures for authorized travel by officers and employees, including subsistence, required on account of any Federal public-works projects, shall be charged to the amounts allocated to such projects, notwithstanding any other provisions of law; and there is authorized to be employed such personal services in the District of Columbia and elsewhere as may be required to be engaged upon such work and to be in addition to employees otherwise provided for, the compensation of such additional personal services to be a charge against the funds made available for such construction work.

(c) In the acquisition of any land or site for the purposes of Federal public buildings and in the construction of such buildings provided for in this title, the provisions contained in sections 305 and 306 of the Emergency Relief and Construction Act of 1932, as amended, shall apply. * * *

SEC. 206. All contracts let for construction projects and all loans and grants pursuant to this title shall contain such provisions as are necessary to insure (1) that no convict labor shall be employed on any such project; (2) that (except in executive, administrative, and supervisory positions), so far as practicable and feasible, no individual directly employed on any such project shall be permitted to work more than thirty hours in any one week; (3) that all employees shall be paid just and reasonable wages which shall be compensation sufficient to provide, for the hours of labor as limited, a standard of living in decency and comfort; (4) that in the employment of labor in connection with any such project, preference shall be given, where they are qualified, to exservice men with dependents, and then in the following order: (A) To citizens of the United States and aliens who have declared their intention of becoming citizens, who are bona fide residents of the political subdivision and/or county in which the work is to be performed, and (b) to citizens of the United States and aliens who have declared their intention of becoming citizens, who are bona fide residents of the State, Territory, or district in which the work is to be performed: *Provided,* That these preferences shall apply only where such labor is available and qualified to perform the work to which the employment relates; and (5) that the maximum of human labor shall be used in lieu of machinery wherever practicable and consistent with sound economy and public advantage.

SEC. 207. (a) For the purpose of expediting the actual construction of public works contemplated by this title and to provide a means of financial assistance to persons under contract with the United States to perform such construction, the President is authorized and empowered, through the Administrator or through such other agencies as he may designate or create, to approve any assignment executed by any such contractor, with the written consent of the surety or sureties upon the penal bond executed in connection with his contract, to any national or State bank, or his claim against the United States, or any part of

such claim, under such contract; and any assignment so approved shall be valid for all purposes, notwithstanding the provisions of sections 3737 and 3477 of the Revised Statutes, as amended.

(b) The funds received by a contractor under any advances made in consideration of any such assignment are hereby declared to be trust funds in the hands of such contractor to be first applied to the payment of claims of subcontractors, architects, engineers, surveyors, laborers, and material men in connection with the project, to the payment of premiums on the penal bond or bonds, and premiums accruing during the construction of such project on insurance policies taken in connection therewith. Any contractor and any officer, director, or agent of any such contractor, who applies, or consents to the application of, such funds for any other purpose and fails to pay any claim or premium hereinbefore mentioned, shall be deemed guilty of a misdemeanor and shall be punished by a fine of not more than $1,000 or by imprisonment for not more than one year, or by both such fine and imprisonment.

(c) Nothing in this section shall be considered as imposing upon the assignee any obligation to see to the proper application of the funds advanced by the assignee in consideration of such assignment.

SUBSISTENCE HOMESTEADS

SEC. 208. To provide for aiding the redistribution of the overbalance of population in industrial centers $25,000,000 is hereby made available to the President, to be used by him through such agencies as he may establish and under such regulations as he may make, for making loans for and otherwise aiding in the purchase of subsistence homesteads. The moneys collected as repayment of said loans shall constitute a revolving fund to be administered as directed by the President for the purposes of this section.[5]

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[5] See also Emergency Relief Appropriation Act of 1935, 8-2.2, which supplemented the National Industrial Recovery Act and provided additional authority under which subsistence homesteads and two Greentown projects were developed.

Executive Order 6209, July 21, 1933, authorized the Secretary of the Interior to exercise all the powers vested in the President for the purpose of administering the provisions of section 208.

Executive Order 7027, April 30, 1935, as amended by Executive Order 7200, September 26, 1935, established the Resettlement Administration and prescribed one of its functions to be: "to administer approved projects involving rural rehabilitation, relief in stricken agricultural areas, and resettlement of destitute or low-income farm families from rural and urban areas, including the establishment, maintenance, and operation, in such connection, of communities in rural and suburban areas."

Executive Order 7041, May 15, 1935, transferred from the Secretary of the Interior to the Resettlement Administration "all the real and personal property or any interest therein, together with all contracts . . . acquired by the Secretary of the Interior . . . with the funds appropriated or made available to carry out the provisions of section 208 . . .", and authorized the Administrator of the Resettlement Administration to administer the transferred property and activities in accordance with the provisions of that section and subject to the limitations of section 201(d) of the National Industrial Recovery Act.

The Comptroller General's decision to the Secretary of the Interior (A-61630) on May 7, 1935, referred to the provisions of section 201(d) of the National Industrial Recovery Act which would have caused subsistence homestead agencies and activities to cease to exist as of June 16, 1935, and indicated that the President could adopt such projects for development under the Emergency Relief Appropriation Act of 1935, 8-2.2, provided that they met the test imposed by the latter Act; i.e., qualified as projects providing relief, or work relief, or coming within any other more specific class of projects authorized thereunder. Following this decision, the President, by letters dated June 15, 1935, June 26, 1935, and September 23, 1935, to the Secretary of the Treasury, adopted certain named projects which had originally been authorized by section 208 as projects for rural rehabilitation under the Emergency Relief Appropriation Act of 1935. Thereafter, the provisions of the National Industrial Recovery Act no longer applied to these projects and the projects were operated as rural rehabilitation

RULES AND REGULATIONS

SEC. 209. The President is authorized to prescribe such rules and regulations as may be necessary to carry out the purposes of this title, and any violation of any such rule or regulation shall be punishable by fine of not to exceed $500 or imprisonment not to exceed six months, or both.

ISSUE OF SECURITIES AND SINKING FUND

SEC. 210. (a) The Secretary of the Treasury is authorized to borrow, from time to time, under the Second Liberty Bond Act, as amended, such amounts as may be necessary to meet the expenditures authorized by this Act, or to refund any obligations previously issued under this section, and to issue therefor bonds, notes, certificates of indebtedness, or Treasury bills of the United States.

(b) For each fiscal year beginning with the fiscal year 1934 there is hereby appropriated, in addition to and as part of, the cumulative sinking fund provided by section 6 of the Victory Liberty Loan Act, as amended, out of any money in the Treasury not otherwise appropriated, for the purpose of such fund, an amount equal to 2½ per centum of the aggregate amount of the expenditures made out of appropriations made or authorized under this Act as determined by the Secretary of the Treasury. * * *

APPROPRIATION

SEC. 220. For the purposes of this Act, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $3,300,000,000. The President is authorized to allocate so much of said sum, not in excess of $100,000,000, as he may determine to be necessary for expenditures in carrying out the Agricultural Adjustment Act and the purposes, powers, and functions heretofore and hereafter conferred upon the Farm Credit Administration. * * *

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projects, subject to the terms and conditions of the Emergency Relief Appropriation Act of 1935, and subsequent Acts.

Executive Order 7530, December 31, 1936, as amended by Executive Order 7557, February 19, 1937, transferred all the powers, functions and duties theretofore vested in the Resettlement Administration and Administrator to the Secretary of Agriculture. The Secretary of Agriculture's Memorandum No. 732, dated September 1, 1937, changed the name of the Resettlement Administration to the Farm Security Administration.

Executive Order 9070, February 24, 1942, provided for the transfer to the National Housing Agency of housing projects of the Farm Security Administration which the Farm Security Administration determined were for families not deriving their principal income from operating or working upon a farm. Executive Order 9070 also provided that the projects transferred were to be administered by the Federal Public Housing Commissioner acting under the direction and supervision of the National Housing Administrator.

The Farmers' Home Administration Act of 1946, Public Law 731, 79th Congress, approved August 14, 1946, 60 Stat. 1062, abolished the Farm Security Administration and all the functions, powers and duties of the National Housing Agency with respect to property, funds, and other assets of the Farm Security Administration which were transferred to the National Housing Agency by Executive Order 9070, except housing projects and except such other properties and assets as were then in the process of liquidation.

Reorganization Plan No. 3 of 1947, effective July 27, 1947, 2-1.1, transferred the functions of the National Housing Agency with respect to non-farm-housing projects remaining under its jurisdiction pursuant to the Farmers' Home Administration Act of 1946 to the Public Housing Administration which, under the Plan, was established as a constituent agency of the Housing and Home Finance Agency.

## TITLE III

* * *

### SEPARABILITY CLAUSE

SEC. 303. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

### SHORT TITLE

SEC. 304. This Act may be cited as the "National Industrial Recovery Act."

Approved, June 16, 1933.

8. Low-Rent Public Housing

2. Subsistence Homesteads and Greentown Projects

## 2. EXCERPTS FROM THE EMERGENCY RELIEF APPROPRIATION ACT OF 1935[1]

[Public Resolution 11, 74th Congress, 49 Stat. 115]

JOINT RESOLUTION making appropriations for relief purposes.

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That in order to provide relief, work relief and to increase employment by providing for useful projects, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be used in the discretion and under the direction of the President, to be immediately available and to remain available until June 30, 1937, the sum of $4,000,000,000, together with the separate funds established for particular areas by proclamation of the President pursuant to section 15 (f) of the Agricultural Adjustment Act (but any amounts thereof shall be available for use only for the area for which the fund was established); not exceeding $500,000,000 in the aggregate of any savings or unexpended balances in funds of the Reconstruction Finance Corporation; and not exceeding a total of $380,000,000 of such unexpended balances as the President may determine are not required for the purposes for which authorized, of the following appropriations, namely: The appropriation of $3,300,000,000 for national industrial recovery contained in the Fourth Deficiency Act, fiscal year 1933, approved June 16, 1933 (48 Stat. 274); the appropriation of $950,000,000 for emergency relief and civil works contained in the Act approved February 15, 1934 (48 Stat. 351); the appropriation of $899,675,000 for emergency relief and public works, and the appropriation of $525,000,000 to meet the emergency and necessity for relief in stricken agricultural areas, contained in the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934 (48 Stat. 1055); and any remainder of the unobligated moneys referred to in section 4 of the Act approved March 31, 1933 (48 Stat. 22): *Provided,* That except as to such part of the appropriation made herein as the President may deem necessary for continuing relief as authorized under the Federal Emergency Relief Act of 1933, as amended, or for restoring to the Federal Emergency Administration of Public Works any sums which after December 28, 1934, were, by order of the President impounded or transferred to the Federal Emergency Relief Administration from appropriations heretofore made available to such Federal Emergency Administration of Public Works (which restoration is hereby authorized), this appropriation shall be available for the following classes of projects, and the amounts to be used for each class shall not, except as hereinafter provided, exceed the respective amounts stated, namely: * * * (b) rural rehabilitation and relief in stricken agricultural areas, and water conservation, transmountain water diversion and irrigation and reclamation, $500,000,000; * * * (d) housing, $450,000,000; * * * *Provided further,* That not to

[1] See also 8-2.1.

exceed 20 per centum of the amount herein appropriated may be used by the President to increase any one or more of the foregoing limitations if he finds it necessary to do so in order to effectuate the purpose of this joint resolution: * * * [2]

SEC. 4. In carrying out the provisions of this joint resolution the President is authorized to establish and prescribe the duties and functions of necessary agencies within the Government.[2]

SEC. 5. In carrying out the provisions of this joint resolution the President is authorized (within the limits of the appropriation made in section 1) to acquire, by purchase or by the power of eminent domain, any real property or any interest therein, and improve, develop, grant, sell, lease (with or without the privilege of purchasing), or otherwise dispose of any such property or interest therein.[2]

SEC. 6. The President is authorized to prescribe such rules and regulations as may be necessary to carry out this joint resolution, and any willful violation of any such rule or regulation shall be punishable by fine of not to exceed $1,000.

SEC. 7. The President shall require to be paid such rates of pay for all persons engaged upon any project financed in whole or in part, through loans or otherwise, by funds appropriated by this joint resolution, as will in the discretion of the President accomplish the purposes of this joint resolution, and not affect adversely or otherwise tend to decrease the going rates of wages paid for work of a similar nature.

The President may fix different rates of wages for various types of work on any project, which rates need not be uniform throughout the United States: *Provided, however,* That whenever permanent buildings for the use of any department of the Government of the United States, or the District of Columbia, are to be constructed by funds appropriated by this joint resolution, the provisions of the Act of March 3, 1931 (U.S.C., Supp. VII, title 40, Sec. 276a), shall apply but the rates of wages shall be determined in advance of any bidding thereon.

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[2] See also 8-2.1, Excerpts from the National Industrial Recovery Act, which was supplemented by this Act.

Executive Order 7027, April 30, 1935, as amended by Executive Order 7200, September 26, 1935, established the Resettlement Administration and prescribed one of its functions to be: "To administer approved projects involving rural rehabilitation, relief in stricken agricultural areas, and resettlement of destitute or low-income farm families from rural and urban areas, including the establishment, maintenance, and operation, in such connection, of communities in rural and suburban areas."

Executive Order 7530, December 31, 1936, as amended by Executive Order 7557, February 19, 1937, transferred all the powers, functions and duties theretofore vested in the Resettlement Administration and Administrator to the Secretary of Agriculture. The Secretary of Agriculture's memorandum No. 732, dated September 1, 1937, changed the name of the Resettlement Administration to the Farm Security Administration.

Executive Order 9070, February 24, 1942, provided for the transfer to the National Housing Agency of housing projects of the Farm Security Administration which the Farm Security Administration determined were for families not deriving their principal income from operating or working upon a farm. Executive Order 9070 also provided that the projects transferred were to be administered by the Federal Public Housing Commissioner acting under the direction and supervision of the National Housing Administrator.

The Farmers' Home Administration Act of 1946, Public Law 731, 79th Congress, approved August 14, 1946, 60 Stat. 1062, abolished the Farm Security Administration and all the functions, powers and duties of the National Housing Agency with respect to property, funds, and other assets of the Farm Security Administration which were transferred to the National Housing Agency by Executive Order 9070, except housing projects and except such other properties and assets as were then in the process of liquidation.

Reorganization Plan No. 3 of 1947, effective July 27, 1947, 2-1.1, transferred the functions of the National Housing Agency with respect to non-farm-housing projects remaining under its jurisdiction pursuant to the Farmers' Home Administration Act of 1946 to the Public Housing Administration which, under the Plan, was established as a constituent agency of the Housing and Home Finance Agency.

SEC. 8. Wherever practicable in the carrying out of the provisions of this joint resolution, full advantage shall be taken of the facilities of private enterprise.

SEC. 9. Any person who knowingly and with intent to defraud the United States makes any false statement in connection with any application for any project, employment, or relief aid under the provisions of this joint resolution, or diverts, or attempts to divert, or assists in diverting for the benefit of any person or persons not entitled thereto, any moneys appropriated by this joint resolution, or any services or real or personal property acquired thereunder, or who knowingly, by means of any fraud, force, threat, intimidation, or boycott, deprives any person of any of the benefits to which he may be entitled under the provisions of this joint resolution, or attempts so to do, or assists in so doing, shall be deemed guilty of a misdemeanor and shall be fined not more than $2,000 or imprisoned not more than one year, or both.

SEC. 10. Until June 30, 1936, or such earlier date as the President by proclamation may fix, the Federal Emergency Relief Act of 1933, as amended, is continued in full force and effect.

SEC. 11. No part of the funds herein appropriated shall be expended for the administrative expenses of any department, bureau, board, commission, or independent agency of the Government if such administrative expenses are ordinarily financed from annual appropriations, unless additional work is imposed thereupon by reason of this joint resolution.

SEC. 12. The Federal Emergency Administration of Public Works established under title II of the National Industrial Recovery Act is hereby continued until June 30, 1937, and is authorized to perform such of its functions under said Act and such functions under this joint resolution as may be authorized by the President. All sums appropriated to carry out the purposes of said Act shall be available until June 30, 1937. The President is authorized to sell any securities acquired under said Act or under this joint resolution and all moneys realized from such sales shall be available to the President, in addition to the sums heretofore appropriated under this joint resolution, for the making of further loans under said Act or under this joint resolution.

SEC. 13. (a) The acquisition of articles, materials, and supplies for the public use, with funds appropriated by this joint resolution, shall be subject to the provisions of section 2 of title III of the Treasury and Post Office Appropriation Act, fiscal year 1934; and all contracts let pursuant to the provisions of this joint resolution shall be subject to the provisions of section 3 of title III of such Act.

(b) Any allocation, grant, or other distribution of funds for any project, Federal or non-Federal, from the appropriation made by this joint resolution, shall contain stipulations which will provide for the application of title III of such Act to the acquisition of articles, materials and supplies for use in carrying out such project.

SEC. 14. The authority of the President under the provisions of the Act entitled "An Act for the relief of unemployment through the performance of useful public work, and for other purposes", approved

March 31, 1933, as amended, is hereby continued to and including March 31, 1937.

SEC. 15. A report of the operations under this joint resolution shall be submitted to Congress before the 10th day of January in each of the next three regular sessions of Congress, which report shall include a statement of the expenditures made and obligations incurred, by classes and amounts.

SEC. 16. This joint resolution may be cited as the "Emergency Relief Appropriation Act of 1935."

Approved, April 8, 1935.

8. Low-Rent Public Housing

2. Subsistence Homesteads and Greentown Projects

## 3. WAIVER OF JURISDICTION—PAYMENT IN LIEU OF TAXES [1]

[Public Law 837, 74th Congress; 49 Stat. 2025, 40 U.S.C. 421 et seq. (1946 ed.)]

AN ACT to waive any exclusive jurisdiction over premises of Public Works Administration slum-clearance and low-cost housing projects, to authorize payments to States and political subdivisions in lieu of taxes on such premises, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the acquisition by the United States of any real property heretofore or hereafter acquired in connection with any low-cost housing or slum-clearance project heretofore or hereafter constructed with funds allotted to the Federal Emergency Administration of Public Works pursuant to title II of the National Industry [2] Recovery Act, the Emergency Relief Appropriation Act of 1935, or any other law, shall not be held to deprive any State or political subdivision thereof of its civil and criminal jurisdiction in and over such property, or to impair the civil rights under the local law of the tenants or inhabitants on such property; and insofar as any such jurisdiction has been taken away from any such State or subdivision, or any such rights have been impaired, jurisdiction over any such property is hereby ceded back to such State or subdivision.

SEC. 2. Upon the request of any State or political subdivision in which any such project has been or will be constructed, the Federal Emergency Administrator of Public Works is authorized to enter into an agreement, and to consent to the renewal or alteration thereof, with such State or subdivisions for the payment by the United States of sums in lieu of taxes. Such sums shall be fixed in such agreement and shall be based upon the cost of the public or municipal services to be supplied for the benefit of such project or the persons residing on or occupying such premises, but taking into consideration the benefits to be derived by such State or subdivision from such project.

SEC. 3. Such payments in lieu of taxes, and any other expenditures for operation and maintenance (including insurance) of any low-cost housing or slum-clearance project described in section 1, shall be made out of the receipts derived from the operation of such projects. To provide for such payments and expenditures the Federal Emergency Administrator of Public Works is authorized from time to time to retain out of such receipts such sums as he may estimate to be necessary for such purposes.

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[1] See also United States Housing Act of 1937, 8-1.1; the Lanham Act, 9-1.1; and Public Law 845, 74th Congress, 8-2.4.

[2] So in the original. Should be Industrial.

Executive Order 7732, October 27, 1937, 2 Fed. Reg. 2707, transferred housing projects, funds, property and employees of the Federal Emergency Administration of Public Works to the United States Housing Authority. See also Reorganization Plan No. 3 of 1947, 2-1.1, which transferred to the Public Housing Commissioner the functions of the Administrator of the United States Housing Authority.

SEC. 4. (a) In the administration of any low-cost housing or slum-clearance project described in section 1, the Federal Emergency Administrator of Public Works shall fix the rentals at an amount at least sufficient to pay (1) all necessary and proper administrative expenses of the project; (2) such sums as will suffice to repay, within a period not exceeding sixty years, at least 55 per centum of the initial cost of the project, together with interest at such rate as he deems advisable.

(b) Dwelling accommodations in such low-cost housing or slum-clearance projects shall be available only to families who lack sufficient income, without the benefit of financial assistance, to enable them to live in decent, safe, and sanitary dwellings and under other than overcrowded housing conditions: *Provided,* That no family shall be accepted as a tenant in any such project whose aggregate income exceeds five times the rental of the quarters to be furnished such family. The term "rental" as used in this subsection includes the average cost (as determined by the Federal Emergency Administrator of Public Works) of heat, light, water, and cooking, where such services are not supplied by the lessor and included in the rent.

SEC. 5. In connection with any low-cost housing or slum-clearance project described in section 1, the Federal Emergency Administrator of Public Works, with the approval of the President [1], is authorized to dedicate streets, alleys, and parks for public use, and to grant easements.

Approved, June 29, 1936

[1] Executive Order 7732, October 27, 1937, 2 Fed. Reg. 2707, transferred housing projects, funds, property and employees of the Federal Emergency Administration of Public Works to the United States Housing Authority. See also Reorganization Plan No. 3 of 1947, 2-1.1, which transferred to the Public Housing Commissioner the functions of the Administrator of the United States Housing Authority. Executive Order 10530, 2-2.6, empowered the Housing and Home Finance Administrator to approve the dedication by the Public Housing Commissioner of streets, alleys, and parks for public use, and the granting of easements by the Commissioner without the approval, ratification, or other action of the President.

8. Low-Rent Public Housing

2. Subsistence Homesteads and Greentown Projects

## 4. WAIVER OF JURISDICTION—PAYMENT IN LIEU OF TAXES

[Public Law 845, 74th Congress; 49 Stat. 2035, 40 U.S.C. 431 et seq. (1946 ed.]

AN ACT to waive any exclusive jurisdiction over premises of resettlement or rural-rehabilitation projects; to authorize payments to States, political subdivisions, and local taxing units in lieu of taxes on such premises; and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the acquisition by the United States of any real property heretofore or hereafter acquired for any resettlement project or any rural-rehabilitation project for resettlement purposes heretofore or hereafter constructed with funds allotted or transferred to the Resettlement Administration pursuant to the Emergency Relief Appropriation Act of 1935, or any other law, shall not be held to deprive any State or political subdivision thereof of its civil and criminal jurisdiction in and over such property, or to impair the civil rights under the local law of the tenants or inhabitants on such property; and insofar as any such jurisdiction has been taken away from any such State or subdivision, or any such rights have been impaired, jurisdiction over any such property is hereby ceded back to such State or subdivision.

SEC. 2. Upon the request of any State or political subdivision thereof, or any other local public taxing unit, in which any such project, described in section 1, has been or will be constructed, the Resettlement Administration is authorized to enter into an agreement, and to consent to the renewal or alteration thereof, with such State or political subdivision thereof, or other local taxing unit, for the payment by the United States of sums in lieu of taxes. Such sums shall be fixed in such agreement and shall be based upon the cost of the public or municipal services to be supplied for the benefit of such project or the persons residing on or occupying such premises, but taking into consideration the benefits to be derived by such State or subdivision or other taxing unit from such project.

SEC. 3. The receipts derived from the operation of such projects described in section 1, in addition to the moneys appropriated or allocated for such projects, shall be available for such payments in lieu of taxes and for any other expenditures for operation and maintenance (including insurance) of such projects. To provide for such payments and expenditures, the Resettlement Administration is authorized from time to time to retain out of such receipts such sums as it may estimate to be necessary for such purposes.

SEC. 4. In connection with any such project, described in section 1, the Resettlement Administration, with the approval of the President, is authorized to dedicate land for streets, alleys, and parks, and for any other public use or purpose, and to grant easements.

Approved, June 29, 1936.

8. Low-Rent Public Housing

2. Subsistence Homesteads and Greentown Projects

## 5 PREPAYMENT OF PURCHASE PRICE

[Public Law 401, 78th Congress; 58 Stat. 675, 12 U.S.C. 640-1 (1946 ed.)]

AN ACT to permit the prepayment of the purchase price of certain housing sold to individuals by the Resettlement Administration or the Farm Security Administration, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That in the case of any contract or agreement for the sale of any real estate to any individual under any program administered by the Resettlement Administration or the Farm Security Administration—

(1) by the Department of Agriculture or any agency of the Department of Agriculture; or

(2) by any homestead association or corporation established by the Department of Agriculture or any agency of the Department of Agriculture; or

(3) by the National Housing Agency or any agency of the National Housing Agency, in case such contract or agreement was, prior to February 24, 1942, made by the Department of Agriculture, or any agency of the Department of Agriculture, or any homestead association or corporation established by the Department of Agriculture or any agency of the Department of Agriculture; or

(4) by the National Housing Agency or any agency of the National Housing Agency, or any homestead association established by the National Housing Agency or any agency of the National Housing Agency, in case such contract or agreement would, except for Executive Order Numbered 9070 of February 24, 1942, as amended and supplemented, have been made by the Department of Agriculture or an agency of the Department of Agriculture or a homestead association or corporation established by the Department of Agriculture or an agency of the Department of Agriculture;

if such contract or agreement, having been in force for five years, provides for the payment of the purchase price in installments over a period of years, no provision of such contract or agreement shall be deemed to prevent the prepayment of any portion of the purchase price, and upon the payment of such purchase price together with interest (on the amount thereof previously unpaid) to the date of such payment, there shall be delivered to the purchaser forthwith a quitclaim deed conveying all right, title and interest of the United States in and to such real estate without any reservations, exceptions, conditions or restrictions whatsoever.

Approved July 1, 1944.

8. Low-Rent Public Housing

2. Subsistence Homesteads and Greentown Projects

## 6. DISPOSAL OF GREENTOWN PROJECTS

[Public Law 65, 81st Congress, as amended; 63 Stat. 68]

AN ACT to authorize the Public Housing Commissioner to sell the suburban resettlement projects known as Greenbelt, Maryland; Greendale, Wisconsin; and Greenhills, Ohio, without regard to provisions of law requiring competitive bidding or public advertising.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That, notwithstanding the provisions of section 3709, as amended, of the Revised Statutes of the United States, or any other provision of law, the Public Housing Commissioner is hereby authorized, by means of negotiated sale or sales and without competitive bidding or public advertising, to sell and convey, at fair market value as determined by him on the basis of an appraisal made by an independent real-estate expert selected by the Commissioner and subject to such terms and conditions as he may determine to be in the best public interest, to such purchaser or purchasers as he deems to be responsible, all right, title, and interest of the United States in or to all or any part of the suburban resettlement projects known as Greenbelt, Maryland; Greendale, Wisconsin; and Greenhills, Ohio (including improved and unimproved lands, war housing constructed on lands of or adjacent to said suburban resettlement projects, and personal property used in connection with said projects or housing): *Provided, however,* That the Public Housing Commissioner shall, during such period as he deems to be reasonable, give a first preference in such negotiated sale or sales to veteran groups organized on a nonprofit basis (provided that any such group shall accept as a member of its organization, on the same terms, subject to the same conditions, and with the same privileges and responsibilities, required of, and extended to other members of the group, any tenant occupying a dwelling unit in such project at any time during such period as the Commissioner shall deem appropriate, starting on the effective date of this Act, and who shall be a tenant therein at the time of making application for such membership), and may sell to such groups at fair market value (as determined by him on the basis stated above) or at cost (as determined by him, including the apportioned cost of structures, lands, appurtenances, and personal property transferred, together with the apportioned share of the cost of all utilities and other facilities provided for and common to the project of which any property being sold is a part), whichever is lower, except, however, that in the event two or more such groups desire to purchase any such project they shall be required to submit sealed bids therefor and the award shall be made on the basis of the highest acceptable monetary return to the Government: *And provided further,* That evidence is furnished to the Commissioner, satisfactory to him, that the compensation paid or to be paid for organizing such groups, for negotiating the purchase of such property, and for financing such purchase

is fair in relation to the purchase price and reasonable on the basis of time effectively devoted to such services on a professional or similar basis: *And provided further,* That in the event of a sale other than for cash, the Commissioner shall require a down payment of at least 10 per centum of the total purchase price, the balance to be amortized over a period of not more than twenty-five years, the unpaid balance to bear interest at the rate of 4 per centum per annum and the payment of any unpaid balance to be secured by a first mortgage or deed of trust against the properties sold. The Commissioner is authorized, as a condition of any sale hereunder, to transfer, or to require the transfer or an agreement for the transfer of, streets, roads, public buildings, federally owned utilities, playgrounds, swimming pools, and parks, including adequate open land surrounding or adjacent to each project, to the appropriate non-Federal governmental agency, at such times, to such an extent, and upon such terms and conditions as he shall determine to be in the public interest.

SEC. 2. As used in this Act, (1) the term "veteran" [1] means any person who shall have served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to July 26, 1947, or on or after June 27, 1950, and prior to such date thereafter as shall be determined by the President, and who shall have been discharged or released from active service under conditions other than dishonorable, and (2) the term "groups organized on a nonprofit basis" shall include but not be limited to, mutual ownership or cooperative housing associations or limited dividend corporations which by the terms of their charters and bylaws have limited their rate of return to a rate no higher than the Public Housing Commissioner deems reasonable and necessary.

**Approved May 19, 1949.**

[1] Sec. 3 of Public Law 214, 82d Congress, approved October 26, 1951, 65 Stat. 647, amended sec. 2 to include veterans of the Korean conflict.

# TITLE II [1]

## DEFENSE PUBLIC WORKS

* * *

# TITLE III

## GENERAL PROVISIONS

SEC. 301. When the President shall have declared that the emergency declared by him on September 8, 1939,[2] has ceased to exist (a) the authority contained in sections 1, 202, 401, and 402 hereof shall terminate except with respect to contracts on projects previously entered into or undertaken and court proceedings then pending, and (b) property acquired or constructed under this Act (including schools and hospitals) shall be disposed of as promptly as may be advantageous under the circumstances and in the public interest.

SEC. 302. Where any Federal agency has funds for the provision of housing in connection with national-defense activities it may, in its discretion, make transfers of those funds, in whole or in part, to the Administrator, and the funds so transferred shall be available for, but only for, any or all of the objects and purposes of and in accordance with all the authority and limitations contained in this Act, and for administrative expenses in connection therewith.

SEC. 303. (a) Moneys derived from rental or operation of property acquired or constructed under the provisions of this Act, of Public Laws Numbered 9, 73, and 353, Seventy-seventh Congress, and of section 201 of the Second Supplemental National Defense Appropriation Act, 1941, as amended, shall be available for expenses of operation and maintenance and expenses found necessary in the disposition of any such property or the removal of temporary housing by the Administrator, including the establishment of necessary reserves therefor and administrative expenses in connection therewith:[3] *Provided,* That moneys derived by the Administrator from the rental or operation of any such property may be deposited in a common fund account or

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1 See 10-3.1 for provisions of title II of the Lanham Act and 10-3.2 for provisions authorizing transfer of title II projects to other Federal agencies.

2 The Emergency Powers Interim Continuation Act, Public Law 313, 82d Congress, approved April 14, 1952, 66 Stat. 54, 55, provided that "In view of the continuing existence of acute housing needs occasioned by World War II, the emergency declared by the President on September 8, 1939, shall, for the purpose of continuing the use of property held under said Act of October 14, 1940, continue to exist until and including June 1, 1952" notwithstanding the termination of the war with Japan and of the national emergencies proclaimed by the President. The emergency was continued from June 1, 1952, to June 15, 1952, by Public Law 368, 82d Congress, approved May 28, 1952, 66 Stat. 96; to June 30, 1952, by Public Law 393, 82d Congress, approved June 14, 1952, 66 Stat. 137; and to July 3, 1952, by Public Law 428, 82d Congress, approved June 30, 1952, 66 Stat. 296. Public Law 450, 82d Congress, approved July 3, 1952, 66 Stat. 330, continued the emergency until six months after the termination of the national emergency proclaimed by the President on December 16, 1950, or until such earlier date as may be provided by the Congress or by the President, but in no event beyond April 1, 1953. "July 1, 1953" was substituted for "April 1, 1953" in Public Law 450, 82d Congress by Public Law 12, 83d Congress, approved March 31, 1953, 67 Stat. 18.

3 The Second Supplemental Appropriation Act, 1952, Public Law 254, 82d Congress, approved November 1, 1951, 65 Stat. 760, provides that any moneys or reserves authorized by section 311 of the Defense Housing and Community Facilities and Services Act of 1951, 9-2-1.2, may be merged (for accounting purposes only) with moneys or reserves authorized by sections 303 and 605(c) of the Lanham Act, as amended. See also 2-2.4, Revolving Fund for Liquidating Programs.

accounts in the Treasury:[1] *And provided further,* That except for necessary reserves authorized by this Act or by section 201 of the Second Supplemental National Defense Appropriation Act, 1941, as amended, the unobligated balances of the moneys deposited into the Treasury from the rental or operation of such property shall be covered at the end of each fiscal year into miscellaneous receipts: *And provided further,* That moneys derived from the rental and operation of such property and funds from the reserve account established by the Administrator pursuant to this section 303, not exceeding in the aggregate $10,000,000, shall be available and may be used by the Administrator for expenses found necessary in the provision of stopgap emergency housing in the Portland, Oregon-Vancouver, Washington, area for persons and families displaced as the result of the destruction of the temporary housing at Vanport in Multnomah County, Oregon, and other persons and families in such area rendered homeless as a result of the present flood, and in providing such stopgap emergency housing the Administrator may act without regard to section 3709 of the Revised Statutes.

(b) Moneys derived by the Housing and Home Finance Administrator from the disposition of property, or from the removal of temporary housing, acquired or constructed under the provisions of this Act, of Public Laws Numbered 9, 73, and 353, Seventy-seventh Congress, and of section 201 of the Second Supplemental National Defense Appropriation Act, 1941, as amended, shall be available for expenses of disposition and removal, including the establishment of necessary reserves therefor and administrative expenses in connection therewith: *Provided,* That moneys derived by said Administrator from the disposition of any such property or the removal of any such temporary housing may be deposited in a common fund account or accounts in the Treasury: *And provided further,* That except for necessary reserves authorized by this Act or by section 201 of the Second Supplemental National Defense Appropriation Act, 1941, as amended, the unobligated balances of the moneys deposited into the Treasury from the disposition of any such property or the removal of any such temporary housing shall be covered at the end of each fiscal year into miscellaneous receipts.

(c) Moneys in the reserve account established by the Housing and Home Finance Administrator pursuant to subsections (a) and (b) of this section 303 shall not exceed $25,000,000 at any time: *Provided,* That all moneys in said account shall be covered into miscellaneous receipts not later than two years after the President shall have declared

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[1] Section 119 of Public Law 347, 78th Congress, approved June 22, 1944, 58 Stat. 301, 322, provides that: "Notwithstanding the provisions of any other law, all special fund receipt accounts and special fund appropriation accounts established for housing projects which are maintained and operated as such by the Navy Department and developed under provisions of the Acts of June 28, 1940 (54 Stat. 676); September 9, 1940 (54 Stat. 872); October 14, 1940 (54 Stat. 1125); March 1, 1941 (55 Stat. 14); May 24, 1941 (55 Stat. 197); and December 17, 1941 (55 Stat. 810), are abolished as of June 30, 1944, and all unobligated moneys then on hand or thereafter derived from the rental or operation of such housing projects shall be covered into the Treasury as miscellaneous receipts." The same statute (in paragraph relating to Maintenance, Bureau of Yards and Docks (58 Stat. 310)) appropriated $2,000,000 to the Navy Department for expenses of operation and maintenance of such housing, including disposition and removal. See also Public Law 62, 79th Congress, approved May 29, 1945, 59 Stat. 201.

that the emergency declared by him on September 8, 1939, has ceased to exist.[1]

SEC. 304. Notwithstanding any other provisions of law, whether relating to the acquisition, handling, or disposal of real or other property by the United States or to other matters, the Administrator, with respect to any property acquired or constructed under the provisions of this Act, is authorized by means of Government personnel, selected qualified private agencies, or public agencies (a) to deal with, maintain, operate, administer, and insure; (b) to pursue to final collection by way of compromise or otherwise, all claims arising therefrom; (c) to rent, lease, exchange, sell for cash or credit, and convey the whole or any part of such property and to convey without cost portions thereof to local municipalities for street or other public use: *Provided,* That any such transaction shall be upon such terms, including the period of any lease, as may be deemed by the Administrator to be in the public interest: *Provided further,* That the Administrator shall fix fair rentals,[2] on projects developed pursuant to this Act, which shall be based on the value thereof as determined by him, with power during the emergency, in exceptional cases, to adjust the rent to the income of the persons to be housed, and that rentals to be charged for Army and Navy personnel shall be fixed by the War and Navy Departments: *Provided further,* That any lease authorized hereunder shall not be subject to the provisions of section 321 of the Act of June 30, 1932 (47 Stat. 412). As used in this section the term "local municipalities" shall include the District of Columbia.

SEC. 305. In carrying out the provisions of this Act the Administrator is authorized to utilize and act through the Federal Works Agency and other Federal agencies and any local public agency, with the consent of such agency, and any funds appropriated pursuant to this Act shall be available for transfer to any such agency in reimburse-

[1] The two-year period started to run on July 25, 1947, as a result of section 3 of Public Law 239, 80th Congress, approved July 25, 1947, 61 Stat. 449, which states, in part: "In the interpretation of the following statutory provisions [listing, *inter alia*, the proviso of section 303(c)] the date when this joint resolution becomes effective shall be deemed to be the date of the termination on . . . of the national emergencies proclaimed by the President on September 8, 1939, and on May 27, 1941." But see section 605 (c) *infra*, which authorizes the further deposit of moneys in this account and extends the purposes for which it may be used.

The Second Supplemental Appropriation Act, 1952, Public Law 254, 82d Congress, approved November 1, 1951, 65 Stat. 760, provides that any moneys or reserves authorized by section 311 of the Defense Housing and Community Facilities and Services Act of 1951, 9-2-1.2, may be merged (for accounting purposes only) with moneys or reserves authorized by sections 303 and 605 (c) of the Lanham Act as amended. See also 2-2.4, Revolving Fund for Liquidating Programs.

[2] Sec. 204(q) of the Housing and Rent Act of 1947, as amended, 50 U.S.C. App. 1894, and sec. 1413 of the Supplemental Appropriation Act, 1953, Public Law 547, 82d Congress, approved July 15, 1952, 66 Stat. 637, 661, require rents on Federally-owned housing supplied to Federal employees or members of the Armed Services (except public quarters assigned to members of the Armed Services) to be set and administered in accordance with Bureau of the Budget Circular A-45. The Supplemental Appropriation Act, 1954, Public Law 207, 83d Congress, approved August 7, 1953, 67 Stat. 418, 437, contains the same provision (sec. 1312). Sec. 1309 of the Supplemental Appropriation Act, 1955, Public Law 663, 83d Congress, approved August 26, 1954, 68 Stat. 800, 829, provides that during the current fiscal year, the provisions of Circular A-45 shall be controlling over the activities of all departments, agencies, and corporations of the Government.

The General Government Matters Appropriations Acts, 1956, 1957, 1958, and 1959, Public Law 110, 84th Congress, approved June 29, 1955, 69 Stat. 192, 196, Public Law 578, 84th Congress, approved June 13, 1956, 70 Stat. 277, 281, Public Law 85-48, 85th Congress, approved June 5, 1957, 71 Stat. 49, 54, and Public Law 85-468, 85th Congress, approved June 25, 1958, 72 Stat. 220, 225, contain the same provision. The House Committee on Appropriations, in reporting the General Government Matters Appropriation Bill for fiscal 1960, stated that the provision "had served its purpose and is no longer required". p. 5- House Report 366, 86th Congress, 1st Session, May 15, 1959.

ment therefor. Nothing in this Act shall be construed to prevent the Administrator from employing or utilizing the professional services of private persons, firms, or corporations. Consultation shall be had with local public officials and local housing authorities to the end that projects constructed under the provisions of this Act shall, so far as may be practicable, conform in location and design to local planning and tradition.

SEC. 306. The Administrator shall pay from rentals annual sums in lieu of taxes to any State and/or political subdivision thereof, with respect to any real property acquired and held by him under this Act, including improvements thereon. The amount so paid for any year upon such property shall approximate the taxes which would be paid to the State and/or subdivision, as the case may be, upon such property if it were not exempt from taxation, with such allowance as may be considered by him to be appropriate for expenditure by the Government for streets, utilities, or other public services to serve such property. As used in this section the term "State" shall include the District of Columbia [and any Territory or possession of the United States]. [1]

SEC. 307. Notwithstanding any other provision of law, the acquisition by the Administrator of any real property pursuant to this Act shall not deprive any State or political subdivision thereof of its civil and criminal jurisdiction in and over such property, or impair the civil rights under the State or local law of the inhabitants on such property. As used in this section the term "State" shall include the District of Columbia [and any Territory or possession of the United States]. [1]

SEC. 308. The Administrator is authorized to make such rules and regulations as may be necessary to carry out the provisions of this Act, and shall establish reasonable standards of safety, convenience, and health.

SEC. 309. Notwithstanding any other provision of law, the wages of every laborer and mechanic employed on any construction, repair or demolition work authorized by this Act shall be computed on a basic day rate of eight hours per day and work in excess of eight hours per day shall be permitted upon compensation for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. Not less than the prevailing wages shall be paid in the construction of defense housing authorized herein. Preference in such employment shall be given to qualified local residents.

SEC. 310. If any provision of this Act, or the application thereof to any persons or circumstances, is held invalid, the remainder of this Act, or application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 311. At the beginning of each session of Congress, the Administrator shall make to Congress a full and detailed report covering all of the transactions authorized hereunder. REPEALED [2]

SEC. 312. Any agency designated by the President to provide temporary shelter under the provisions of Public Law Numbered 9, Seventy-

[1] Technically the material in brackets was not made a part of the Lanham Act. However, section 4(b) of Public Law 137, 77th Congress, approved June 28, 1941, 55 Stat. 361, provides that, as used in sections 302 through 311 of title III "the term 'State' includes any Territory or possession of the United States."

[2] Section 311 was repealed by sec. 802(b) of the Housing Act of 1954, Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 590, 642. See 2-2.1.

seventh Congress, Public Law Numbered 73, Seventy-seventh Congress, or the Third Supplemental National Defense Appropriations Act, 1942, shall have the same powers with respect to the management, maintenance, operation, and administration of such temporary shelter as are granted to the Federal Works Administrator under section 304 and section 306 of this Act with respect to projects constructed hereunder, and the provisions of section 307 shall apply to such temporary shelter projects and the occupants thereof. [The departments, agencies, or instrumentalities administering property acquired or constructed under section 201 of the Second Supplemental National Defense Appropriation Act, 1941, shall have the same powers and duties with respect to such property and with respect to the management, maintenance, operation, and administration thereof as are granted to the Federal Works Administrator with respect to property acquired or constructed under title I of such Act of October 14, 1940, and with respect to the management, maintenance, operation, and administration of such property so acquired or constructed under such title.] [1]

SEC. 313. Except as otherwise provided in this Act, the Administrator shall, as promptly as may be practicable and in the public interest, remove (by demolition or otherwise) all housing under his jurisdiction which is of a temporary character, as determined by him, and constructed under the provisions of this Act, Public Law 781, Seventy-sixth Congress, and Public Laws 9, 73, 353, Seventy-seventh Congress. Such removal shall, in any event, be accomplished not later than December 31, 1952 or by such later date as may be required because of extensions of time in accordance with section 604 hereof, with the exception only of such housing as the Administrator, after consultation with local communities, finds is still urgently needed because of a particularly acute housing shortage in the area: *Provided,* That all such exceptions shall be reexamined annually by the Administrator and that all such exceptions and reexaminations shall be reported to the Congress. Notwithstanding any other provisions of law except provisions of law hereafter enacted expressly in limitation hereof, no Federal statute, or regulation thereunder, shall prohibit or restrict any action or proceeding to recover possession of any housing accommodations for the purpose of carrying out the provisions of this section or section 604 of this Act.

[1] The bracketed material constitutes section 5 of Public Law 137, 77th Congress, approved June 28, 1941, 55 Stat. 361, but it was not assigned a section number in the Lanham Act.

## TITLE IV

SEC. 401. (a) The sum of $30,000,000, to remain available until expended, is hereby authorized to be appropriated for the purpose of enabling the Housing and Home Finance Agency to provide housing in or near the District of Columbia (including living quarters for single persons and for families) for employees of the United States whose duties are determined by the Housing and Home Finance Administrator to be essential to national defense and to require them to reside in or near the District of Columbia.

(b) In providing the housing for which an appropriation is authorized by subsection (a) of this section, the Housing and Home Finance Administrator is authorized to exercise all of the powers specified in subsections (a) and (b) of section 1 of this Act, subject to the limitations, upon exercise of such powers specified in such subsections.

(c) The funds authorized to be appropriated by this section shall be available to pay administrative expenses in connection with providing the housing for which such funds are authorized to be appropriated.

(d) The housing provided with funds authorized to be appropriated by this section may be sold and disposed of as expeditiously as possible: *Provided,* That in disposing of said housing consideration shall be given to its full market value and said housing or any part thereof shall not, unless specifically authorized by Congress, be conveyed to any public or private agency organized for slum clearance or to provide subsidized housing for persons of low income.

SEC. 402. (a) The sum of $20,000,000, to remain available until expended, is hereby authorized to be appropriated for the purpose of enabling the Federal Works Administrator to provide public works and equipment therefor in and near the District of Columbia. Such public works may include, but shall not be limited to, schools, waterworks, sewers, public sanitary facilities, works for the treatment and purification of water, hospitals and other places for the care of the sick, recreational facilities, streets, roads, facilities for the disposal of sewage, garbage, and refuse, and other types of necessary public works.

(b) In providing the public works and equipment therefor for which appropriations are authorized by subsection (a) of this section, the Federal Works Administrator is authorized to exercise all of the powers specified in subsections (a), (b), and (c) of section 202 of this Act. Such public works and equipment therefor shall be provided subject to the provisions of section 203 of this Act.

(c) The funds authorized to be appropriated by this section shall be available to pay administrative expenses in connection with providing the public works and equipment therefor for which such funds are authorized to be appropriated.

SEC. 403. (a) The Commissioners of the District of Columbia are authorized to accept for the District of Columbia, and the Federal Works Administrator is authorized to make to the District of Columbia, advancements for the provision of public works and equipment therefor,

such advancements to be deposited with the Secretary of the Treasury to the credit of the District of Columbia.

(b) Sums advanced to the Commissioners of the District of Columbia hereunder shall be available for the provision, without reference to section 3709 of the Revised Statutes, of any or all public works and equipment therefor described in section 402 hereof, and for administrative expenses in connection therewith, including employment of engineering and other professional services and other technical and administrative personnel without reference to the civil-service requirements or the Classification Act of 1923, as amended. The repayment of any sums so advanced and the payment of interest thereon shall be in the same manner and subject to the same conditions as are set forth in sections 3 and 4 of the Act of December 20, 1941 (Public Law Numbered 362, Seventy-seventh Congress).

(c) The Commissioners shall submit with their annual estimates to the Congress a report of their activities and expenditures under this section.

SEC. 404. As used in this Act the term "Federal Works Administrator" or "Administrator", or "Federal Works Agency" shall, with respect to housing, be deemed to refer to the Housing and Home Finance Administrator or the Housing and Home Finance Agency, as the case may be. Such terms shall, with respect to public works and equipment therefor, be deemed to refer to the Federal Works Administrator or the Federal Works Agency, as the case may be.[1]

[1] All functions of the Federal Works Agency and the Federal Works Administrator were transferred to the Administrator of General Services effective July 1, 1949, pursuant to the Federal Property and Administrative Services Act of 1949, Public Law 152, 81st Congress, approved June 30, 1949, 63 Stat. 373. See also Reorganization Plan No. 17 of 1950, 2-1.4, for transfer of the functions of the Administrator of General Services under title II of the Lanham Act to the Housing and Home Finance Administrator.

# TITLE V [1]

## HOUSING FOR DISTRESSED FAMILIES OF SERVICEMEN AND VETERANS WITH FAMILIES

SEC. 501. In those areas or localities where the Administrator shall find that an acute shortage of housing exists or impends and that, because of war restrictions, permanent housing cannot be provided in sufficient quantities when needed, the Administrator is authorized to exercise all of the powers specified in titles I and III of this Act,[2] subject to all of the limitations upon the exercise of such powers contained in such titles, to provide housing for distressed families of servicemen and for veterans and their families who are affected by evictions or other unusual hardships (where their needs cannot be met through utilization of the existing housing supply, including housing under the jurisdiction of the Administrator): *Provided,* That any housing constructed under the provisions of this title V shall be undertaken only where the need cannot be met by moving existing housing and shall be of a temporary character subject to the removal provisions contained in title III of this Act: *And provided further,* That the Administrator shall fix fair rentals for housing constructed or made available pursuant to this title V which shall be within the financial reach of families of servicemen and veterans with families.

SEC. 502. (a) To carry out the purposes of sections 501, 502, and 503 of this title, and for administrative expenses in connection therewith, any funds made available under title I of this Act are hereby made available, and for such purposes there is also authorized to be appropriated the sum of $445,500,000: *Provided,* That none of the funds herein authorized to be used for the purposes of this title shall be used to construct any new temporary housing: *And provided further,* That any educational institution, State or political subdivision thereof, local public agency, or nonprofit organization which has incurred expenses in the relocation (including the costs of disassembling, transporting, site preparation, and re-erection but not including the costs of site acquisition or the installation of off-site utilities) of temporary housing or other facilities (but not including demountable houses) under the jurisdiction or control of the Housing and Home Finance Administrator for reuse in providing temporary housing for distressed families of servicemen and for veterans and their families shall, upon application therefor, be reimbursed for such expenses by said Administrator out

[1] The original provisions of Title V were added to the Lanham Act by Public Law 87, 79th Congress, approved June 23, 1945, 59 Stat. 260.

[2] Section 1 (a)(17) of the Emergency Powers Interim Continuation Act, Public Law 313, 82d Congress, approved April 14, 1952, 66 Stat. 54, 56, continued the emergency for the purposes of sections 1, 202, 301, 401, 402 and 501 until June 1, 1952, for the purpose of continuing the use of property held under the Lanham Act. The emergency was continued from June 1, 1952, to June 15, 1952, by Public Law 368, 82d Congress, approved May 28, 1952, 66 Stat. 96; to June 30, 1952, by Public Law 393, 82d Congress, approved June 14, 1952, 66 Stat. 137; and to July 3, 1952, by Public Law 428, 82d Congress, approved June 30, 1952, 66 Stat. 296. Public Law 450, 82d Congress, approved July 3, 1952, 66 Stat. 330, continued the emergency until six months after the termination of the national emergency proclaimed by the President on December 16, 1950, or until such earlier date as may be provided by the Congress or by the President, but in no event beyond April 1, 1953. "July 1, 1953" was substituted for "April 1, 1953" in Public Law 450, 82d Congress by Public Law 12, 83d Congress, approved March 31, 1953, 67 Stat. 18.

of the funds made available by the First Deficiency Appropriation Act, 1946 (H.R. 4805) to carry out the purpose of this title.

(b) Upon request of the Housing and Home Finance Administrator, any Federal agency having jurisdiction or control of structures or facilities (including lands, improvements, equipment, materials, or furnishings) which are no longer required by such agency and which, in the determination of said Administrator, can be utilized to provide temporary housing for distressed families of servicemen, for veterans and their families, or for single veterans attending educational institutions, or for members of faculties (including the families of such members) of educational institutions furnishing education and training to veterans under Title II of the Servicemen's Readjustment Act of 1944, as amended, in accordance with this title V, may, notwithstanding any other provisions of law, transfer such structures or facilities to said Administrator, without reimbursement, for such use.

(c) Without regard to the provisions of any other law, but subject to the removal provisions of section 313 of said Act, said Administrator may transfer, for such consideration and subject to such terms and conditions as he deems feasible under the circumstances, any temporary housing (intact or in panels suitable for reuse) under his jurisdiction to any educational institution, State or political subdivision thereof, local public agency, or nonprofit organization, for use or reuse in producing temporary housing for families of servicemen, for veterans and their families, or, in the discretion of the Administrator, for single veterans attending educational institutions, or for members of faculties (including the families of such members) of educational institutions furnishing education and training to veterans under title II of the Servicemen's Readjustment Act of 1944, as amended.

(d) Upon approval of an application, made by any educational institution, State or political subdivision thereof, local public agency, or nonprofit organization, for temporary housing for the purposes of this title, the Housing and Home Finance Administrator, if he determines that such action will aid in expediting the provision of such temporary housing, may—

(1) transfer hereunder to the applicant structures or facilities necessary or suitable to provide such temporary housing; and

(2) contract to reimburse the applicant (including the making of advances) for the cost, as certified by the applicant and approved by the Administrator, in the relocation or conversion (including the costs of disassembling, transporting and reerecting structures and facilities, and connecting utilities from dwellings to mains, but not including the costs of site acquisition and preparation, or the installation of streets and utility mains) of such temporary housing and facilities.

(e) The term "administrative expenses", as used in this section, shall be deemed to include administrative expenses of the Housing and Home Finance Agency in performing any functions with respect to priorities or allocations of materials or equipment for public or private

housing, and of the Housing Expediter (including until June 30, 1946, those of any Government agencies in carrying out parts of the veterans' emergency housing program of the Housing Expediter authorized by existing law, to the extent that additional administrative expenses of such agencies are thereby involved) in performing any functions with respect to facilitating the provision of veterans' housing authorized by existing law.

SEC. 503. As used in this title V the term "families of servicemen" shall include the family of any person who is serving in the military or naval forces of the United States, and the term "veterans" shall include any person who has served in the military or naval forces of the United States during the present war [1] and prior to such date thereafter as shall be determined by the President [2] and who has been discharged or released therefrom under conditions other than dishonorable.

SEC. 504.[3] (a) At any educational institution including any educational facility operated by the Indian Service where the Commissioner of Education shall find that there exists or impends an acute shortage of educational facilities, other than housing, required for persons engaged in the pursuit of courses of training or education under title II of the Servicemen's Readjustment Act of 1944, as amended, the Federal Works Administrator is authorized, upon request of such educational institution, to provide such educational facilities (1) by the use or reuse (including disassembling, transporting, and reerecting) of structures or facilities (including improvements, equipments, materials, or furnishings but not including site acquisition and preparation or the installation of streets and utility mains) under the jurisdiction or control of any Federal agency which are no longer required by such agency and which, in the determination of said Administrator can be utilized to provide the needed educational facilities and which, in the determination of the War Assets Administrator are available for such use or reuse and (2) by connecting utilities from buildings to mains. Upon request of the Federal Works Administrator any Federal agency having jurisdiction or control of any such structures or facilities may, with

[1] Sec. 1 (a)(28) of the Emergency Powers Interim Continuation Act, Public Law 313, 82d Congress, approved April 14, 1952, 66 Stat. 54, 56, contains provisions which make it possible to include until June 1, 1952, veterans of the Korean conflict within the definition of "veterans" as set forth in this section notwithstanding the termination of the war. The date of "June 1, 1952" in Public Law 313 was continued to June 15, 1952, by Public Law 368, 82d Congress, approved May 28, 1952, 66 Stat. 96; to June 30, 1952, by Public Law 393, 82d Congress, approved June 14, 1952, 66 Stat. 137; and to July 3, 1952, by Public Law 428, 82d Congress, approved June 30, 1952, 66 Stat. 296. Public Law 450, 82d Congress, approved July 3, 1952, 66 Stat. 330, continued these provisions in effect until six months after the termination of the national emergency proclaimed by the President on December 16, 1950, or until such earlier date as may be provided by the Congress or by the President, but in no event beyond April 1, 1953. "July 1, 1953" was substituted for "April 1, 1953" in these provisions in Public Law 450, 82d Congress, by the Emergency Powers Continuation Act, Public Law 12, 83d Congress, approved March 31, 1953, 67 Stat. 18.

[2] The words "and prior to such date thereafter as shall be determined by the President" were added to this section by section 1 of Public Law 98, 83d Congress, approved June 30, 1953, 67 Stat. 132.

Section 10 of the President's Proclamation 3080, 20 Fed. Reg. 173, provides that February 1, 1955, is determined as the date prior to which persons must have served in the military or naval forces of the United States in order that such persons come within the meaning of the term "veterans" as contained in section 503.

[3] Section 504 was repealed by section 1 of Public Law 247, 82d Congress, approved Oct. 31, 1951, 65 Stat. 701, as being obsolete.

Public Law 239, 80th Congress, approved July 25, 1947, 61 Stat. 449, provided that July 25, 1947, should be the date of termination of the national emergency declared by the President, for the purposes of interpretation of section 504 of the Lanham Act.

the approval of the War Assets Administrator, notwithstanding any other provisions of law, transfer such structures or facilities to the Federal Works Administrator, without reimbursement, for such use or reuse. Without regard to the provisions of any other law, said Administrator is authorized to transfer to any educational institution any educational facilities provided for such educational institution under this subsection.

(b) In carrying out the provisions of this section, said Administrator is authorized to exercise all the powers contained in sections 202(a) and (b) and title III of this Act, subject to all the limitations contained in sections 203(a) and (b) and title III of this Act: *Provided,* That nothing herein shall exclude the Indian Service from participation in the educational benefits provided by this Act.

(c) To carry out the provisions of this section, and for administrative expenses in connection therewith, any funds made available under title II of this Act are hereby made available, and for such purposes there is also authorized to be appropriated the sum of $100,000,000.[1]

(d) Nothing in this section 504 shall affect the transfer to the Housing and Home Finance Administrator of any structures or facilities requisitioned by him pursuant to section 502(b) of this Act, for housing for veterans and distressed families of servicemen prior to any request therefor made by the Federal Works Administrator pursuant to the authority contained in said section 504.

(e) Except with respect to contracts previously entered into and court proceedings then pending, this section shall cease to be effective on the last date on which courses of education or training may be provided under title II of the Servicemen's Readjustment Act of 1944, as amended.

(f) As used in this Act the term "educational institution" shall mean (a) any public educational institution or (b) any private educational institution, no part of the net earnings of which shall inure to the benefit of any private shareholder or individual.

(g) Nothing in this section shall authorize the transfer of any property to the Federal Works Administrator until the preference to veterans provided by section 16 of the Surplus Property Act of 1944, as amended, has been fully satisfied in accordance with its terms; and for the purposes of such section 16 transfers to such Administrator under this section shall not be considered as transfers to a Government agency.

SEC. 505. (a) Upon the filing of a request therefor as herein provided, the Administrator shall relinquish and transfer, without monetary consideration, to any educational institution[2] all contractual rights (in-

[1] Public Law 521, 79th Congress, approved July 23, 1946, 60 Stat. 600, 612, appropriated the sum of $75,000,000 under this authorization.

[2] The following proviso in title II of the Independent Offices Appropriation Act, 1950, Public Law 266, 81st Congress, approved August 24, 1949, 63 Stat. 681, 657, permitted similar transfers to public bodies:

"*Provided further,* That the Administrator of the Housing and Home Finance Agency may relinquish and transfer, pursuant to the same general terms and conditions specified in subsections 505 (a) and (b) of the Act of October 14, 1940, as added by the Act of June 28, 1948 (Public Law 796), title to temporary housing provided for certain veterans and their

cluding the right to revenues and other proceeds) and all property right, title and interest of the United States in and with respect to any temporary housing located on land owned by such institution, or controlled by it and not held by the United States: *Provided,* That any net revenues or other proceeds from such housing to which the United States is entitled shall not cease, by virtue of this section 505, to accrue to the United States until the end of the month in which the rights, title, and interest with respect to such housing are relinquished and transferred hereunder, and the obligation of the transferee to pay such accrued amounts shall not be affected by this section: *And provided further,* That this shall not be deemed to require a transfer to an educational institution which has no contractual or other interest in the housing or the land on which it is located except that of a lessor. As used in this section, the term "temporary housing" shall include any housing (including trailers and other mobile or portable housing) constructed, acquired, or made available under this title V, and includes any structures, appurtenances, and other property, real or personal, acquired for or held in connection therewith.

(b) The filing of a request under this section must be made within one hundred and twenty days of the date of enactment of the section.[1] and shall be authorized by the board of trustees or other governing body of the institution making the request. Such request shall be accompanied by an opinion of the chief law officer or legal counsel of the institution making the request to the effect that it has legal authority to make the request, to accept the transfer of and operate any property involved, and to perform its obligations under this section. The provisions of section 313 of this Act (and the contractual obligations of the educational institution to the Federal Government with respect thereto) shall cease to apply to any temporary housing to which rights are relinquished or transferred under this section 505 if (and only if) the request therefor is supported by a resolution of the governing body of the municipality or county having jurisdiction in the area specifically approving the waiver of the requirements of said section 313. The Administrator shall act as promptly as practicable on any request which

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families under title V of said Act of October 14, 1940, as amended, to any State, county, city, or other public body: *Provided further,* That any application for such relinquishment and transfer shall be filed with the Administrator within one hundred and twenty days after the approval of this Act."

Public Law 796 referred to in the preceding proviso is commonly referred to as the "McGregor Act."

The Housing Act of 1950, Public Law 475, 81st Congress, approved April 20, 1950, 64 Stat. 48, provided that nothing contained in that Act should affect the authority of the Housing and Home Finance Administrator under title II of Public Law 266, 81st Congress.

The General Appropriation Act, 1951, Public Law 759, 81st Congress, approved September 6, 1950, 64 Stat. 595, contains the following provisos:

"*Provided further,* That the Administrator of the Housing and Home Finance Agency may relinquish and transfer, pursuant to the same general terms and conditions specified in subsections 505 (a) and (b) of the Act of October 14, 1940, as added by the Act of June 28, 1948 (Public Law 796), title to temporary housing provided for certain veterans and their families under title V of said Act of October 14, 1940, as amended, to any State, county, city, other public body, educational institution, or nonprofit organization: *Provided further,* That any application for such relinquishment and transfer shall be filed with the Administrator by December 31, 1950."

[1] Public Law 796, 80th Congress, the "McGregor Act," which enacted this section, was approved on June 28, 1948. See also footnote to section 505 (a), *supra,* for extensions of time for receiving requests.

complies with the provisions of this section 505 and is fully supported as herein required.

(c) In filling vacancies in any housing for which rights are relinquished or transferred under subsection (a) of this section, preference shall be given to veterans[1] or servicemen, who are students at the educational institution, and their families: *Provided,* That the educational institution shall be deemed to comply with this subsection (c) if it makes available to veterans[1] or servicemen and their families accommodations in any housing of the institution equal in number to the accommodations in the housing for which such rights are relinquished or transferred.

[1] Sec. 2 of Public Law 214, 82d Congress, approved October 26, 1951, 65 Stat. 647, deleted the words "of World War II", thus permitting preference to veterans of the Korean conflict as well as veterans of World War II.

# TITLE VI [1]

## HOUSING DISPOSITION [2]

SEC. 601. (a) Upon the filing of a request therefor as herein prescribed, the Administrator shall (subject to the provisions of this section) relinquish and transfer, without monetary consideration, to any State or political subdivision thereof, local housing authority, local public agency, nonprofit organization, or educational institution, all contractual rights (including the right to revenues and other proceeds) and all property right, title, and interest of the United States in and with respect to (1) any temporary housing located on land owned or controlled by such transferee and in which the United States has no leasehold or other property interest, and (2) housing materials which have been made available to the transferee by the Administrator pursuant to section 502 of this Act

(b) Upon the filing of a request therefor as herein prescribed, the Administrator may (subject to the provisions of this section) relinquish and transfer, without monetary consideration other than that specifically required by this subsection, to any State, county, municipality, or local housing authority, or to any educational institution where the housing involved is being operated for its student veterans or where the land underlying the housing is in the ownership of two or more educational institutions, or to any other local public agency or nonprofit organization where the housing involved has been made available by the United States to such agency or organization pursuant to section 502 of this Act or where the Administrator determines that the housing involved is urgently needed by parents of persons[3] who served in the armed forces at any time on or after September 16, 1940, and prior to July 26, 1947, or on or after June 27, 1950, and prior to such date thereafter as shall be determined by the President and died of service-connected illness or injury (in which case the preferences in section 601(d)(1) shall not apply), all right, title, and interest of the United

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1 Title VI was added to the Lanham Act by title II of the Housing Act of 1950, Public Law 475, 81st Congress, approved April 20, 1950, 64 Stat. 48, 59.

2 Executive Order 10755, Feb. 22, 1958, 23 Fed. Reg. 1191, transferred from the Department of the Navy to the HHFA, subject to reservation of mineral rights, certain land located within Naval Petroleum Reserve No. 2, which was the site of a war housing project, in order that HHFA could dispose of the housing.

3 Sec. 2 of Public Law 214, 82d Congress, approved October 26, 1951, 65 Stat. 647, amended paragraph (b) of sec. 601 to include veterans of the Korean conflict.

States in and with respect to any temporary housing (excluding commercial facilities which the Administrator determines are suitable for separate disposal and community facilities which the Administrator determines should be disposed of separately) located on land in which the United States has a property interest through ownership, lease, or otherwise, under the following conditions:

(1) If the land is owned by the United States and under the jurisdiction of the Administrator, the transferee shall have purchased such land from the Administrator at a price substantially equal to the cost to the United States of the land (including survey, title examination, and other similar expenses incident to acquisition but excluding the cost or value of all improvements thereto by the United States other than extraordinary fill), or, if the Administrator determines the amount of such cost to be nominal or not readily ascertainable, at a price which the Administrator determines to be fair and reasonable. Payment for such land shall be made in full at the time of sale or in not more than ten equal annual installments (the first of which shall be paid within one year from the date of conveyance) all of which shall be secured as determined by the Administrator with interest from the date of conveyance at the going Federal rate of interest at the time of conveyance.

(2) If the land is owned by the United States and not under the jurisdiction of the Administrator, the transferee shall have purchased such land from the Federal agency having jurisdiction thereof. The Federal agency having jurisdiction of any such land is hereby authorized to sell and convey the same to any such transferee on the terms authorized herein except that the determinations required to be made by the Administrator shall be made by the agency having jurisdiction of such land.

(3) If the United States does not own the land but has an interest therein through lease or otherwise, the transferee shall (i) where it is not the landowner, obtain the right to possession of such land for a term satisfactory to the Administrator, (ii) obtain from the landowner a release (or, if the transferee is the landowner, furnish a release) of the United States from all liability in connection therewith, including any liability for removal of structures or restoration of the land, except for any rental or use payment due at the time of transfer, and (iii) reimburse the United States for the proportionate amount of any payments made by the United States for the right to use the land and for taxes or payments in lieu of taxes for any period extending beyond the time of the transfer, and (iv) if the interest of the United States is not under the jurisdiction of the Administrator, the transferee shall obtain a transfer or release of the interest of the United States from the Federal agency having jurisdiction, which transfers and releases by such Federal agencies are hereby authorized on such terms as the head of the respective agency determines to be in the public interest.

(c) The filing of a request under subsection (a), (b), (g), or (h) of this section must be made on or before December 31, 1950,[1] unless the Administrator shall, in any specific case, authorize the filing of a request subsequent to such date but on or before June 30, 1951, and, in any such case, the Administrator may extend, for a specified period not beyond December 31, 1951,[1] the time hereinafter prescribed for complying with all conditions to the relinquishment or transfer. Such request shall be in the form of a resolution adopted by the governing body of the applicant, except that, in the case of a State, such request may be in the form of a written request from the governor, and, in the case of a local housing authority (other than the Alaska Housing Authority), or a local public agency organized specifically and solely for the purpose of slum clearance and community redevelopment, shall be accompanied by a resolution of the governing body of the municipality or county approving the request for transfer. Such request shall be accompanied by either (1) a final opinion of the chief law officer or legal counsel of the applicant to the effect that it has legal authority to make the request, to accept the transfer of and operate any property involved, and to perform its obligations under this title, or (2) a preliminary opinion of such officer or counsel concerning the legal authority of the applicant with respect to the proposed relinquishment or transfer including a statement of the reasons for not furnishing the final opinion with the request and the time required to furnish such opinion. If a request has been submitted as herein provided, the applicant shall comply with all conditions to the relinquishment or transfer (including the furnishing of the final legal opinion) on or before June 30, 1951:[1] *Provided,* That, in any case where the applicant is unable to comply with all conditions to the relinquishment or transfer because of the need for the enactment of State legislation or charter amendment, such date shall be June 30, 1952,[1] and may be extended by the Administrator, upon request in a particular case, to December 31, 1952.[1] The Administrator shall act as promptly as practicable on any request which complies with the provisions of this section and is supported as herein required, and shall as promptly as practicable arrange for the making of any survey or the performance of other work necessary to the transfer: *Provided,* That, notwithstanding the provisions of this section, the Administrator may at any time, except with respect to housing for which a request has been or may be submitted under subsection (a) of this section, remove, dispose of, or retain any temporary housing, or part thereof, in accordance with any provision of this Act.

(d) No relinquishment or transfer with respect to temporary housing shall be made under this section unless the transferee represents in its request therefor that it proposes, to the extent permitted by law:

(1) As among eligible applicants for occupancy in dwellings of given sizes and at specified rents, to extend the following preferences in the selection of tenants:

First, to families which are to be displaced by any low-rent

1 See sec. 611, *infra;* 9-1-2.1, Executive Order 10284; 9-1-2.2, Executive Order 10339; 9-1-2.4, Executive Order 10395; 9-1-2.5, Executive Order 10425; 9-1-2.6, Executive Order 10462.

housing project or by any public slum-clearance or redevelopment project initiated after January 1, 1947, or which were so displaced within three years prior to making application for admission to such housing; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected, and third preference shall be given to families of other veterans and servicemen;

Second, to families of other veterans and servicemen; and as among such families first preference shall be given to families of disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected, and second preference shall be given to families of deceased veterans and servicemen whose death has been determined by the Veterans' Administration to be service-connected: *Provided,* That if the transferee is an educational institution it may limit such preferences to student veterans and servicemen, and their families, and may, in lieu of such preferences, make available to veterans or servicemen and their families accommodations in any housing of the institution equal in number to the accommodations relinquished or transferred to it: *And provided further,* That, notwithstanding such preferences, if the transferee is a State, political subdivision, local housing authority, or local public agency, it will, in filling vacancies in housing transferred under subsection 601(b) hereof, give such preferences to military personnel and persons engaged in national defense or mobilization activities as the Secretary of Defense or his designee prescribes to such transferee.

(2) Not to dispose of any right, title, or interest in the property (by sale, transfer, grant, exchange, mortgage, lease, release, termination of the leasehold, or any other relinquishment of interest) either (i) for housing use on the present site or on any other site except to a State or political subdivision thereof, local housing authority, a local public agency, or an educational or eleemosynary institution, or (ii) for any other use unless the governing body of the municipality or county shall have adopted a resolution determining that, on the basis of local need and acceptability, the structures involved are satisfactory for such use and need not be removed: *Provided,* That this representation will not apply to any disposal through demolition for salvage, lease to tenants for residential occupancy, or lease of nondwelling facilities for the continuance of a use existing on the date of transfer, or where such disposal is the result of a bona fide foreclosure or other proceeding to enforce rights given as security for a loan to pay for land under this section: *And provided further,* That nothing contained in this paragraph shall be construed as applicable to the disposition of any land or interest therein after the removal of the structures therefrom.

obligations to the Federal Government for the removal of such housing shall be relinquished upon the filing of such a resolution with the Administrator.

SEC. 603. With respect to any housing classified, prior to the enactment of this section, by the Administrator as demountable, the Administrator shall, as soon as practicable but not later in any event than December 31, 1950, and after consultation with the communities affected, redetermine (taking into consideration local standards and conditions) whether such housing is of a temporary or permanent character, and after such redetermination shall dispose of such housing in accordance with the provisions of this title.

SEC. 604. With respect to temporary housing remaining under the jurisdiction of the Administrator on land under his control, the Administrator shall (1) permit vacancies, occurring or continuing after August 15, 1951,[1] to be filled only by transfer of tenants of other accommodations in the same locality being removed as required by this Act; (2) notify, on or before March 31, 1952 [2] all tenants to vacate the premises prior to July 1, 1952;[2] (3) promptly after July 1, 1952,[2] cause actions to be instituted to evict any tenants still remaining; and (4) remove (by demolition or otherwise) all dwelling structures as soon as practicable after they become vacant: *Provided,* That in any case where a request for relinquishment or transfer has been filed pursuant to section 601 hereof and where under the provisions of section 601(c) hereof the date for compliance with all conditions to the relinquishment or transfer shall have been extended, each of the foregoing dates shall be extended for a period of time equal to the period of the extension under section 601(c): *And provided further,* That nothing heretofore in this section shall apply (1) to any temporary housing in any municipality in which the total number of persons, who on December 31, 1948, were living in temporary family accommodations provided by the United States or any agency thereof since September 8, 1939, exceeds 30 per centum of the total population of such municipality as shown by the 1940 census, nor (2) to any temporary housing as to which the local governing body has adopted a resolution as provided in section 602(c) hereof, nor (3) to any temporary housing for which a request has been submitted in accordance with section 601(b) of this Act, but which has not been relinquished or transferred solely because the applicant has been unable to obtain from the landowner the right to possession of the land on reasonable terms as determined by the Administrator: *Provided,* That, in filling vacancies in such housing, the preferences set forth in section 601(d)(1) shall be applicable and that families within such preference classes shall be eligible for admission to such housing, nor (4) to any temporary housing in which accommodations have been reserved, prior to the enactment of this section, for veterans

[1] Public Law 68, 82d Congress, approved June 30, 1951, 65 Stat. 110, substituted "August 15, 1951" for "July 1, 1951."
See also sec. 611, *infra;* 9-1-2.1, Executive Order 10284; 9-1-2.2, Executive Order 10339; 9-1-2.6, Executive Order 10462.

[2] See sec. 611, *infra;* 9-1-2.1, Executive Order 10284; 9-1-2.2, Executive Order 10339; 9-1-2.6, Executive Order 10462.

attending an educational institution if (i) such institution certifies that the accommodations are urgently needed for such veterans and submits facts showing, to the satisfaction of the Administrator, that all reasonable efforts have been made by the institution to find other accommodations for them and (ii) such institution agrees to reimburse the Housing and Home Finance Agency for any financial loss to the Agency in the operation of the accommodations after June 30, 1951.

SEC. 605. (a) The Administrator may continue by lease or condemnation any interest less than a fee simple in lands heretofore acquired by the Administrator for national defense or war housing or for veterans' housing (whether of permanent or temporary character), or held by any Federal agency in connection therewith, and may acquire, by purchase or condemnation, a fee simple title to or lesser interest in any such lands if the Administrator determines that the acquisition of such fee simple or lesser interest is necessary to protect the Government's investment or to maintain the improvements constructed thereon, or that the cost of fulfilling the Government's obligation to restore the property to its original condition would equal or exceed the cost of acquiring the title thereto.

[1] In any city in which, on March 1, 1953, there were more than ten thousand temporary housing units held by the United States of America, or any two contiguous cities in one of which there were on such date more than ten thousand temporary housing units so held, the Administrator may acquire, by purchase or condemnation, a fee simple title to any or all lands in which the Administrator holds a leasehold interest, or other interest less than a fee simple, acquired by the Federal Government for national defense or war housing or for veteran's housing where (1) the Administrator finds that the acquisition by him of a fee simple title in the land will tend to expedite the orderly disposal or removal of temporary housing under his jurisdiction by facilitating the availability of improved sites for privately owned housing needed to replace such temporary housing, and will tend to expedite the transition of the city from a war-affected community containing, as of said date, a large number of temporary houses to a community having additional permanent, well-planned, residential neighborhoods, (2) the local governing body of the city makes a like finding and requests the Administrator to acquire such title to the land, and (3) the city has furnished assurances satisfactory to the Administrator that no individual who is employed by, or is an official of, the government of the city in which the land is located, or any agency thereof, shall be permitted, directly or indirectly, to have any financial interest in the purchase or redevelopment of such land: *Provided,* That such acquisitions by the Administrator pursuant to this sentence shall be limited to not exceeding four hundred and twenty-five acres of land in the general area in which approximately one thousand five hundred units

[1] This paragraph originally added by sec. 805(1) of the Housing Act of 1954, Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 590, 644, and amended to read as set forth in the text by sec. 108(d) of the Housing Amendments of 1955, Public Law 345, 84th Congress, approved August 11, 1955, 69 Stat. 635, 638.

of temporary housing held by the United States of America were unoccupied on said date: *And provided further,* That funds for such acquisition by the Administrator, which are authorized, pursuant to subsection (c) of this section and title II of the Independent Offices Appropriation Act, 1955,[1] to be expended from the revolving fund established by that title under the heading "Housing and Home Finance Agency Office of the Administrator, revolving fund", shall be taken into consideration, to the extent that they are needed, in making any determination pursuant to the second proviso under that heading. All or any part of any land so acquired by the Administrator may, during the five year period following the date of its acquisition, be sold by the Administrator, through negotiated sale, to such city or any local public agency where (1) the city or local public agency has represented to the Administrator that it is duly authorized under State law to purchase and resell such land, that such land will be made available to private enterprise for development in accordance with local zoning and other laws, and that the aggregate of such land and any other land in the same city previously sold under the authority of this paragraph to the city or a local public agency will be developed for predominantly residential use, and (2) the city or local public agency has agreed to pay the fair market value of the land as determined by the Administrator, after giving consideration, among other relevant information, to the cost to the Federal Government of acquiring the fee simple title and of holding the land pending sale (including estimated amounts to cover legal and overhead expenses of such acquisition and to cover interest costs to the Federal Government of monies invested in the land pending sale). Any such negotiated sale of land to the city or a local public agency shall be made upon terms which require (1) that the city or public agency shall pay in cash at least one third of the price of the land upon its conveyance and the entire price within one year after its conveyance and (2) that any portion of the entire price not paid upon such conveyance shall be represented by an indebtedness which shall bear interest on outstanding balances at a rate of 4 per centum per annum and which shall be secured by a first mortgage lien upon the land or such portion of the land as the Administrator deems adequate to protect the financial interest of the Federal Government. The Administrator may, at any time that he deems it to be in the public interest to do so, dispose, under authority of other provisions of this Act, of any land acquired by him pursuant to this paragraph. Any land acquired by the Administrator pursuant to this paragraph which has not been disposed of within five years after its acquisition shall be disposed of by him as expeditiously as possible in the public interest in accordance with other authority contained in this Act. Notwithstanding the provisions of section 306 of this Act or any other provisions of law, no payments in lieu of taxes shall be made for any tax year beginning subsequent to the date of the acquisition of title to the property by the Administrator.

(b) In any case in which the Administrator holds, on or after April 1, 1950, an interest in land acquired by the Federal Government for

[1] See 2-2.4.

national defense, war housing, or veterans' housing and where (1) the term of such interest (as prescribed in the taking or in the lease or other instruments) is for the "duration of the emergency" or "duration of the war", or "duration of the emergency" or "duration of the war" plus a specific period thereafter, or for some similarly prescribed term, and (2) the rental, award, or other consideration which the Federal Government is obligated to pay or furnish for such interest gives the owner of the land less than an annual return, after payment of real estate taxes, of 6 per centum of the lowest value placed on such land by an independent appraiser, hired by the Government to make such appraisal based on the value of the land before the acquisition of the Government's interest therein, plus 100 per centum of such value,[1] the Administrator shall,[2] upon request of the owner of the land and, notwithstanding any existing contractual or other rights or obligations, increase the amount of future payments for such interest in order to give the owner of the land a return for the Government's use thereof not exceeding the 6 per centum annual return described in (2) of this subsection: *Provided,* That this subsection shall not affect any payment heretofore made or any future payment accepted by an obligee, nor shall this subsection limit the consideration which may be paid for the use of any land beyond the existing term of the Government's interest therein.

(c) Notwithstanding any other provisions of law unless hereafter enacted expressly in limitation hereof, moneys shall be deposited in the reserve account established pursuant to subsection (a) and subsection (b) of section 303 of this Act[3] (which account is hereby continued subject to the limitation as to amount specified in subsection (c) thereof) and all moneys deposited in such reserve account shall be and remain available for any or all of the purposes specified in said subsections (a) or (b) or in this section 605 without regard to the time prescribed in subsection (c) of section 303 with respect to covering moneys in such account into miscellaneous receipts. Moneys in such reserve accounts shall also be available for the payment of necessary expenses (which shall be considered nonadministrative expenses) in connection with administering (1) transfers pursuant to section 601, (2) redeterminations of the temporary or permanent character of demountable housing pursuant to section 603, (3) changes in land tenure and revisions in the consideration payable to landowners pursuant to subsection 605(a) and 605(b), and (4) transfers of permanent war housing for low-rent use pursuant to section 606. Moneys in such reserve account shall also be available for the purpose of making improvements to, or alterations of, any permanent housing or part thereof if

[1] The phrase "plus 100 per centum of such value," was inserted by section 603(b) of the Defense Housing and Community Facilities and Services Act of 1951, Public Law 139, 82d Congress, approved September 1, 1951, 65 Stat. 293.

[2] The word "shall" was substituted for the words "is authorized" by section 603(c) of the Defense Housing and Community Facilities and Services Act of 1951, Public Law 139, 82d Congress, approved September 1, 1951, 65 Stat. 293.

[3] The Second Supplemental Appropriations Act, 1952, Public Law 254, 82d Congress, approved November 1, 1951, 65 Stat. 760, provides that any moneys or reserves authorized by section 311 of the Defense Housing and Community Facilities and Services Act of 1951, 9-2-1.2, may be merged (for accounting purposes only) with moneys or reserves authorized by sections 303 and 605 (c) of the Lanham Act, as amended. See also 2-2.4, Revolving Fund for Liquidating Programs.

(1) the dwelling structures therein are designed for occupancy by not more than four families and are to be sold separately and (2) such improvement or alteration is requested by the local governing body as a condition to the acceptance of the dedication of streets or utilities or is necessary for compliance with local law or regulation relating to the continued operation or occupancy of the housing by a purchaser.

SEC. 606. (a) The Administrator is hereby specifically authorized to convey the following housing projects to the following local public housing agencies respectively, if—

(1) on or before December 31, 1950,[1] (i) the conveyance is requested by the governing body of the municipality or county and (ii) the public housing agency has demonstrated to the satisfaction of the Administrator that there is a need for low-rent housing (as such term is defined in the United States Housing Act of 1937) within the area of operation of such public housing agency which is not being met by private enterprise;

(2) the Administrator determines that the project requested will meet such need in whole or in part, and is suitable for low-rent housing use; and

(3) on or before June 30, 1951,[1] the governing body of the municipality or county enters into an agreement with the public housing agency (satisfactory to the Public Housing Administration, hereinafter referred to as "Administration") providing for local cooperation and payments in lieu of taxes not in excess of the amount permitted by subsection (c)(5) of this section, and the public housing agency enters into an agreement with the Administration (in accordance with subsection (c) of this section) for the administration of the project:

| *State* | *Project number* | *Local public housing agency* |
|---|---|---|
| Alabama | 1041 | Housing Authority of District of Birmingham. |
| | 1061 | Housing Authority of Greater Gadsden. |
| | 1062 | Housing Authority of Greater Gadsden. |
| | 1031 | Housing Board of Mobile. |
| | 1033 | Housing Board of Mobile. |
| | 1034 | Housing Board of Mobile. |
| | 1035 | Housing Board of Mobile. |
| | 1036 | Housing Board of Mobile. |
| | 1101 | Housing Board of Mobile. |
| | 1102 | Housing Board of Mobile. |
| | 1072 | Housing Authority of Sylacauga. |
| | 1076 | Housing Authority of Sylacauga. |
| | 1073 | Housing Authority of City of Talladega. |
| Arkansas | 3023 | Housing Authority of City of Conway. |
| California | 4031 | Housing Authority of City of Fresno. |
| | 4161 | Housing Authority of County of Kern. |
| | 4141 | Housing Authority of County of Kern. |
| | 4103 | Housing Authority of City of Los Angeles. |
| | 4104 | Housing Authority of City of Los Angeles. |
| | 4108 | Housing Authority of City of Los Angeles. |
| | 4121 | Housing Authority of City of Paso Robles. |

[1] See sec. 611, *infra;* 9-1-2.1, Executive Order 10284; 9-1-2.2, Executive Order 10339; 9-1-2.5, Executive Order 10425; 9-1-2.6, Executive Order 10462.

| *State* | *Project number* | *Local public housing agency* |
|---|---|---|
| | 4171 | Housing Authority of City of Richmond. |
| | 4174 | Housing Authority of City of Richmond. |
| Connecticut | 6091 | Housing Authority of City of Bristol. |
| | 6024 | Housing Authority of Town of East Hartford. |
| | 6031 | Housing Authority of City of New Britain. |
| | 6032 | Housing Authority of City of New Britain. |
| | 6101 | Housing Authority of City of New Haven. |
| | 6041 | Housing Authority of City of Waterbury. |
| | 6213 | Housing Authority of City of Waterbury. |
| District of Columbia | 49012 | National Capital Housing Authority. |
| | 49017 | National Capital Housing Authority. |
| | 49044 | National Capital Housing Authority. |
| Florida | 8052 | Housing Authority of City of Jacksonville. |
| | 8121 | Housing Authority of City of Lakeland. |
| | 8062 | Housing Authority of City of Miami. |
| | 8011 | Housing Authority of City of Orlando. |
| | 8082 | Housing Authority of City of Pensacola. |
| | 8084 | Housing Authority of City of Pensacola. |
| | 8085 | Housing Authority of City of Pensacola. |
| | 8131 | Housing Authority of City of Sebring. |
| | 8041 | Housing Authority of City of West Palm Beach. |
| Georgia | 9071 | Housing Authority of City of Albany. |
| | 9061 | Housing Authority of Macon. |
| | 9063 | Housing Authority of Macon. |
| | 9041 | Housing Authority of Savannah. |
| | 9042 | Housing Authority of Savannah. |
| | 9043 | Housing Authority of Savannah. |
| Illinois | 11081 | Madison County Housing Authority. |
| | 11082 | Madison County Housing Authority. |
| | 11111 | Winnebago County Housing Authority. |
| | 11112 | Winnebago County Housing Authority. |
| Indiana | 12071 | Housing Authority of City of Fort Wayne. |
| | 12021 | Housing Authority of City of South Bend. |
| Louisiana | 16051 | Housing Authority of Parish of East Baton Rouge. |
| Maryland | 18095 | Housing Authority of Baltimore City. |
| | 18096 | Housing Authority of Baltimore City. |
| | 18097 | Housing Authority of Baltimore City. |
| | 18098 | Housing Authority of Baltimore City. |
| Massachusetts | 19051 | Boston Housing Authority. |
| | 19021 | Chicopee Housing Authority. |
| | 19022 | Chicopee Housing Authority. |
| | 19061 | Pittsfield Housing Authority. |
| | 19023 | Springfield Housing Authority. |
| Michigan | 20042 | Housing Commission of Detroit. |
| Nevada | 26021 | Housing Authority of City of Las Vegas. |
| New Hampshire | 27021 | Housing Authority of City of Manchester. |
| New Jersey | 28044 | Housing Authority of City of Camden. |
| | 28021 | Housing Authority of City of Long Branch. |
| | 28072 | Housing Authority of City of Newark. |
| | 28111 | Housing Authority of Town of Phillipsburg. |
| New York | 30031 | Buffalo Municipal Housing Authority. |
| | 30032 | Buffalo Municipal Housing Authority. |
| | 30042 | Elmira Housing Authority. |
| | 30033 | Lackawanna Municipal Housing Authority. |
| | 30039 | Lackawanna Municipal Housing Authority. |
| | 30034 | Niagara Falls Housing Authority. |
| | 30071 | Niagara Falls Housing Authority. |
| | 30082 | Massena Housing Authority. |

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HOUSING AND URBAN DEVELOPMENT

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WASHINGTON, D.C. 20410

subsection shall be made on a cash basis, payable at the time of settlement.

SEC. 609. Notwithstanding any other provision of law, the Administrator is authorized to convey by quit claim deed, without consideration, to any State for National Guard purposes any land, together with any nondwelling structures thereon, held under this or any other Act in connection with war or veterans' housing: *Provided,* That the United States shall be saved harmless from or reimbursed for such costs incidental to the conveyance as the Administrator may deem proper: *Provided further,* That the conveyance of such land shall contain the express condition that if the grantee shall fail or cease to use such land for such purposes, or shall alienate (or attempt to alienate) such land, title thereto shall, at the option of the United States, revert to the United States.

SEC. 610. As used in this title, the following terms shall have the meanings ascribed to them below, unless the context clearly indicates otherwise:

(a) The term "governing body of the municipality or county" means the governing body of the city, village, or other municipality having general governmental authority over the area in which the housing involved is located or, if the housing is not located in such a municipality, the term means the governing body of the county or parish in which the housing is located, or if the housing is located in the District of Columbia the term means the Board of Commissioners of said District.

(b) The term "housing" means any housing under the jurisdiction of the Administrator (including trailers and other mobile or portable housing) constructed, acquired, or made available under this Act or Public Law 781, Seventy-sixth Congress, approved September 9, 1940, or Public Laws 9, 73, or 353, Seventy-seventh Congress, approved, respectively, March 1, 1941, May 24, 1941, and December 17, 1941, or any other law, and includes in addition to dwellings any structures, appurtenances, and other property, real or personal, acquired for or held in connection therewith.

(c) The term "temporary housing" means any housing (as defined in (b) which the Administrator has determined to be "of a temporary character" pursuant to this Act and shall also include any such housing after rights thereto have been relinquished or transferred under this title or section 505 of this Act.

(d) The terms "veteran" and "serviceman" mean "veteran" and "serviceman" as those terms are defined in the United States Housing Act of 1937.

(e) The term "State" means any State, Territory, dependency, or possession of the United States, or the District of Columbia.

(f) The term "going Federal rate of interest" means "going Federal rate" as that term is defined in the United States Housing Act of 1937.

(g) The term "United States Housing Act of 1937" means the provisions of that Act, including all amendments thereto, now or here-

after adopted, except provisions relating to the initial construction of a project or dwelling units.

SEC. 611.[1] Notwithstanding any other provision of law, the President is authorized to extend, for such period or periods as he shall specify, the time within which any action is required or permitted to be taken by the Administrator or others under the provisions of this title or section 313 of this Act (or any contract entered into pursuant thereto), upon a determination by him, after considering the needs of national defense and the effect of such extension upon the general housing situation and the national economy, that such extension is in the public interest.[2]

SEC. 612.[3] The Administrator, notwithstanding any other provisions of this or any other law except provisions hereafter enacted expressly in amendment hereof, is authorized to establish income limitations for occupancy of any housing held by him under this Act and, giving consideration to the ability of such tenants to obtain other housing accommodations, to require tenants, admitted to occupancy prior to the establishment of such income limitations and who have incomes in excess of limitations established by him, to vacate such housing.

SEC. 613.[4] Upon a certification by the Secretary of the Interior that any surplus housing, classified by the Administrator as demountable, in the area of San Diego, California, is needed to provide dwelling accommodations for members of a tribe of Indians in Riverside County or San Diego County or Imperial County, California, the Administrator is hereby authorized, notwithstanding any other provision of law, to transfer and convey such housing without consideration to such tribe, the members thereof, or the Secretary of the Interior in trust therefor, as the Secretary may prescribe: *Provided,* That the term housing as used in this section shall not include land.

SEC. 614.[5] (a) Notwithstanding the provisions of this or any other law, (1) any housing to be sold on-site determined by the Administrator to be permanent, located on lands owned by the United States and under the jurisdiction of the Administrator, which is not relinquished, transferred, under contract of sale, sold, or otherwise disposed of by the administrator under other provisions of this Act or under the provisions of other law by January 1, 1957, except housing which is determined by the Administrator by that date to be suitable for sale in accordance with section 607 (b) of this Act; and (2) any permanent housing to be sold off-site which is not relinquished, transferred, under

[1] Section 611 was added by sec. 603(d) of the Defense Housing and Community Facilities and Services Act of 1951, Public Law 139, 82d Congress, approved September 1, 1951, 65 Stat. 293.

[2] See 9-1-2.1, Executive Order 10284; 9-1-2.2, Executive Order 10339; 9-1-2.3, Executive Order 10385; 9-1-2.4, Executive Order 10395; 9-1-2.5, Executive Order 10425; 9-1-2.6, Executive Order 10462.

[3] Section 612 was added by sec. 603(d) of the Defense Housing and Community Facilities and Services Act of 1951, Public Law 139, 82d Congress, approved September 1, 1951, 65 Stat. 293.

[4] Sec. 613 added by sec. 805(3) of the Housing Act of 1954, Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 590, 645.

[5] Sec. 614 added by sec. 407(a) of the Housing Act of 1956, Public Law 1020, 84th Congress, approved August 7, 1956, 70 Stat. 1091, 1106.

9. War and Emergency Housing
1. World War II and Veterans' Housing
2. Extensions of Time Relating to the Disposition of Certain Housing

## 2.1. EXECUTIVE ORDER 10284 [1]

[16 Fed. Reg. 8971 (1951)]

**Extensions of Time Relating to the Disposition of Certain Housing**

By virtue of the authority vested in me by section 611 of the act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as amended, hereinafter called the Act and having determined, after considering the needs of national defense and the effect of the extensions hereinafter provided for upon the general housing situation and the national economy, that such extensions are in the public interest, it is hereby ordered as follows:

1. The time stipulated in subsection (c) of section 601 of the Act on or before which requests must be filed under subsections (b) and (g) of that section is extended from December 31, 1950, to December 31, 1951.

2. The time stipulated in subsection (c) of section 601 of the Act on or before which all conditions to relinquishments or transfers pursuant to requests made under subsections (b) and (g) of that section must be complied with is extended from June 30, 1951, to June 30, 1952.

3. The time stipulated in section 604 of the Act after which vacancies occurring or continuing in temporary housing remaining under the jurisdiction of the Housing and Home Finance Administrator on land under his control may be filled only by transfer of tenants of other accommodations in the same locality being removed as required by the Act is extended from August 15, 1951, to July 1, 1952.

4. The time stipulated in section 604 of the Act on or before which all tenants must be notified to vacate the premises is extended from March 31, 1952, to March 31, 1953; and the time required to be stipulated in such notices prior to which the premises must be vacated is extended from July 1, 1952, to July 1, 1953.

5. The time stipulated in section 604 of the Act promptly after which actions must be instituted to evict any tenants still remaining is extended from July 1, 1952, to July 1, 1953.

6. The time stipulated in section 606(a)(1) of the Act on or before which conveyance of the housing projects listed in section 606(a)(3) of the Act must be requested by the governing body of the municipality or county and on or before which the need for low-rent housing must be demonstrated to the satisfaction of the Administrator is extended from December 31, 1950, to December 31, 1951.

7. The time stipulated in section 606(a)(3) of the Act on or before which the governing body of the municipality or county must enter into an agreement with the public housing agency satisfactory to the Public Housing Administration providing for local cooperation and

[1] See also 9-1-2.2, Executive Order 10339.

payments in lieu of taxes and on or before which the public housing agency must enter into an agreement with the Public Housing Administration for the administration of any project requested under section 606(a) of the Act is extended from June 30, 1951, to June 30, 1952.

HARRY S. TRUMAN

THE WHITE HOUSE
*September 1, 1951.*

9. War and Emergency Housing
1. World War II and Veterans' Housing
2. Extensions of Time Relating to the Disposition of Certain Housing

## 2.2. EXECUTIVE ORDER 10339 [1]

[17 Fed. Reg. 3012 (1952)]

Extensions of Time Relating to the Disposition of Certain Housing

By virtue of the authority vested in me by section 611 of the act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, hereinafter called the Act, and having determined, after considering the needs of national defense and the effect of the extensions hereinafter provided for upon the general housing situation and the national economy, that such extensions are in the public interest, it is hereby ordered as follows:

1. The time stipulated in subsection (c) of section 601 of the Act on or before which requests must be filed under subsections (a), (b) and (g) of that section is extended to December 31, 1952.

2. The time stipulated in subsection (c) of section 601 of the Act on or before which all conditions to relinquishments or transfers pursuant to requests made under subsections (a), (b) and (g) of that section must be complied with is extended to June 30, 1953.

3. The time stipulated in section 604 of the Act after which vacancies occuring or continuing in temporary housing remaining under the jurisdiction of the Housing and Home Finance Administrator on land under his control may be filled only by transfer of tenants of other accommodations in the same locality being removed as required by the Act is extended to July 1, 1953.

4. The time stipulated in section 604 of the Act on or before which all tenants must be notified to vacate the premises is extended to March 31, 1954; and the time required to be stipulated in such notices prior to which the premises must be vacated is extended to July 1, 1954.

5. The time stipulated in section 604 of the Act promptly after which actions must be instituted to evict any tenants still remaining is extended to July 1, 1954.

6. The time stipulated in section 606 (a) (1) of the Act on or before which conveyance of the housing projects listed in section 606 (a) (3) of the Act must be requested by the governing body of the municipality or county and on or before which the need for low-rent housing must be demonstrated to the satisfaction of the Administrator is extended to December 31, 1952.

7. The time stipulated in section 606 (a) (3) of the Act on or before which the governing body of the municipality or county must enter into an agreement with the public housing agency satisfactory to the Public Housing Administration providing for local cooperation and payments in lieu of taxes and on or before which the public housing

[1] See 9-1-2.1, Executive Order 10284.

agency must enter into an agreement with the Public Housing Administration for the administration of any project requested under section 606 (a) of the Act is extended to June 30, 1953.

This order supersedes Executive Order 10284,[1] dated September 1, 1951.

HARRY S. TRUMAN

THE WHITE HOUSE,
*April 5, 1952.*

[1] See 9-1-2.1 for Executive Order 10284.

9. War and Emergency Housing
1. World War II and Veterans' Housing
2. Extensions of Time Relating to the Disposition of Certain Housing

## 2.3. EXECUTIVE ORDER 10385

[17 Fed. Reg. 7525 (1952)]

Extension of Time Relating to the Removal of Certain Temporary Housing.

By virtue of the authority vested in me by section 611 of the act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, and having determined, after considering the needs of national defense and the effect of the extension provided for herein upon the general housing situation and the national economy, that such extension is in the public interest, it is ordered as follows:

The time stipulated in section 313 of the said act approved October 14, 1940, as amended, within which, subject to the qualifications stated in the said section 313, housing of a temporary character under the jurisdiction of the Housing and Home Finance Administrator and constructed under certain laws must be removed is hereby extended from December 31, 1952, to July 1, 1954.

HARRY S. TRUMAN

THE WHITE HOUSE,
August 16, 1952

9. War and Emergency Housing
1. World War II and Veterans' Housing
2. Extensions of Time Relating to the Disposition of Certain Housing

## 2.4. EXECUTIVE ORDER 10395

[17 Fed. Reg. 8449 (1952)]

Extension of Time Relating to the Disposition of Certain Temporary Housing

By virtue of the authority vested in me by section 611 of the act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, hereinafter called the Act, and having determined, after considering the needs of national defense and the effect of the extensions hereinafter provided for upon the general housing situation and the national economy, that such extensions are in the public interest, it is hereby ordered as follows:

1. The time stipulated in subsection (c) of section 601 of the Act on or before which requests must be filed under subsection (h) of that section is extended to December 31, 1952.

2. The time stipulated in subsection (c) of section 601 of the Act on or before which all conditions to relinquishments or transfers pursuant to requests made under subsection (h) of that section must be complied with is extended to June 30, 1953.

HARRY S. TRUMAN

THE WHITE HOUSE,
September 18, 1952

9. War and Emergency Housing
1. World War II and Veterans' Housing
2. Extensions of Time Relating to the Disposition of Certain Housing

## 2.5. EXECUTIVE ORDER 10425

[18 Fed. Reg. 405 (1953)]

Extension of Time Relating to the Disposition of Certain Housing

By virtue of the authority vested in me by section 611 of the act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as amended, hereinafter referred to as the act, and having determined, after considering the needs of national defense and the effect of the extensions hereinafter provided for upon the general housing situation and the national economy, that such extensions are in the public interest, it is hereby ordered as follows:

1. The time stipulated in subsection (c) of section 601 of the act on or before which requests must be filed under subsections (a), (b), (g), and (h) of that section is extended to June 30, 1953.

2. The time stipulated in section 606 (a) (1) of the act on or before which conveyance of the housing projects listed in section 606 (a) (3) of the act must be requested by the governing body of the municipality or county and on or before which the need for low-rent housing must be demonstrated to the satisfaction of the Administrator is extended to June 30, 1953.

This order supersedes paragraphs 1 and 6 of Executive Order No. 10339 of April 5, 1952, and paragraph 1 of Executive Order No. 10395 of September 18, 1952.

HARRY S. TRUMAN

THE WHITE HOUSE,
*January 16, 1953.*

9. War and Emergency Housing
1. World War II and Veterans' Housing
2. Extensions of Time Relating to the Disposition of Certain Housing

## 2.6. EXECUTIVE ORDER 10462

[18 Fed. Reg. 3613 (1953)]

### DELEGATION OF CERTAIN FUNCTIONS OF THE PRESIDENT TO THE HOUSING AND HOME FINANCE ADMINISTRATOR

By virtue of the authority vested in me by section 301 of title 3 of the United States Code, and as President of the United States, it is ordered as follows:

1. The Housing and Home Finance Administrator is hereby designated and empowered to perform, without the approval, ratification, or other action by the President, the functions vested in the President by section 611 of the act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended (42 U.S.C. 1589a).

2. The meaning of the terms "perform" and "functions" as used in this order shall be the same as the meaning of those terms as used in chapter 4 of title 3 of the United States Code.

DWIGHT D. EISENHOWER

THE WHITE HOUSE
*June 19, 1953*

9. War and Emergency Housing

1. World War II and Veterans' Housing

## 3. UNITED STATES HOUSING AUTHORITY WAR HOUSING

[Excerpts From Public Law 671, 76th Congress, as Amended [1]; 54 Stat. 676, 681; 42 U.S.C. 1501 (1946 ed.)]

AN ACT to expedite national defense, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

* * *

### TITLE II

SEC. 201. In connection with the national defense program, the Navy and War Departments and the United States Housing Authority are hereby authorized to cooperate in making necessary housing available for persons engaged in national defense activities, as hereinafter provided. "Persons engaged in national defense activities" (as that term is used in this title) shall include (i) enlisted men with families, who are in the naval and military service and officers of the Army and Marine Corps not above the grade of captain, and officers of the Navy and Coast Guard, not above the grade of lieutenant [2] and employees of the Navy and War Departments who are assigned to duty at naval or military reservations, posts, or bases, and (ii) workers with families, who are engaged or to be engaged in industries connected with and essential to the national defense program. No project shall be developed or assisted for the purposes of this title except with the approval of the President and upon a determination by him that there is an acute shortage of housing in the locality involved which impedes the national defense program.

SEC. 202. (a) Projects may be initiated hereunder by the Navy or War Department to provide dwellings on or near naval or military reservations, posts or bases for rental to the officers, enlisted men and employees of the Navy and War Departments described in section 201. Such projects shall be developed by the Navy or War Department or by the Authority, whichever the President determines is better suited to the fulfillment of the purposes of this title with respect to any particular project. If the development of such project is to be undertaken by the Navy or War Department, the Authority is authorized to aid the development of the project by furnishing technical assistance and by transferring to such Department the funds necessary for the development of the project. Any project developed for the purpose of this section shall be leased to the Navy or War Department by the

[1] Section 616 of the Defense Housing and Community Facilities and Services Act of 1951, Public Law 139, 82d Congress, 65 Stat. 293, provides that during the period from September 1, 1951, to and including the expiration date specified in section 104 of that Act, no project shall be initiated, and the income limitations contained in the United States Housing Act of 1937, as amended, shall not be waived or suspended, pursuant to the authorization therefor in title II of Public Law 671, 76th Congress. Substantially all of the projects built pursuant to Public Law 671, 76th Congress have been converted to low-rent public housing use. See also 8-1.1, Low-Rent Public Housing.

[2] Public Law 120, 79th Congress, approved July 2, 1945, 59 Stat. 316, permitted members of the Army, Navy, Marine Corps, Coast Guard, and also members of the Coast and Geodetic Survey and Public Health Service, to occupy Government housing, regardless of rank.

Authority (which shall have title to such project until repayment of the cost thereof to the Authority as prescribed in such lease) upon such terms as shall be prescribed in the lease, which may be the same terms as are authorized by the United States Housing Act of 1937, as amended, with respect to leases to public housing agencies. All the provisions of said Act which apply to the development of projects by the Authority shall (insofar as applicable and not inconsistent herewith) apply to the development of projects by the Navy or War Department. Notwithstanding other provisions of this or any other law, the Department leasing a project shall have the same jurisdiction over such project as it has over the reservation, post or base in connection with which the project is developed.

(b) The Navy or War Department, in connection with any project developed or leased by it, and the Authority, in connection with any project developed or assisted by it, for the purposes of this title, may acquire real or personal property or any interest therein by purchase, eminent domain, gift, lease or otherwise. The provisions of section 355 of the Revised Statutes shall not apply to the acquisition of any real property by the Navy or War Department or by the Authority for the purposes of this title or to the project developed thereon, and the provisions of section 321 of the Act of June 30, 1932 (U.S.C. 1934 edition, title 40, sec. 303b), shall not apply to any lease of any project developed for the purposes of this title or of any dwelling therein. Condemnation proceedings instituted by the Authority shall be in its own name and the practice and procedure governing such proceedings by the United States shall be followed, and the Authority shall likewise be entitled to proceed in accordance with the provisions of the Act of Congress approved February 26, 1931 (46 Stat. 1421), and an Act of Congress approved March 1, 1929 (45 Stat. 1415). If the Authority acquires land in connection with a project to be assisted for the purposes of this title, it may convey such land to the public housing agency involved for a consideration equal to the cost of the land to the Authority. The Navy and War Departments and the Authority may negotiate, contract and fix such fees as they determine are reasonable for the services of architects, engineers, surveyors, appraisers, title examiners and real estate negotiators in connection with specific projects developed by them under this title. The Secretaries of Navy and War are hereby authorized to make available to the Authority any land that is needed for a project to be developed by the Authority and leased to the Navy or War Department and to execute such leases, agreements and other instruments with the Authority as may be necessary to carry out the purposes of this title.

SEC. 203. In any localities where the President determines that there is an acute shortage of housing which impedes the national defense program and that the necessary housing would not otherwise be provided when needed for persons engaged in national defense activities, the Authority may undertake the development and administration of projects to assure the availability of dwellings in such localities for such persons and their families, or the Authority may extend financial assistance to public housing agencies for the development and admin-

istration of such projects. Such financial assistance to public housing agencies shall be extended (except as otherwise provided herein and not inconsistent herewith) under the provisions of and in the same manner and forms as provided in, title I [1] of the United States Housing Act of 1937, as amended, with respect to other housing projects.

SEC. 204. Any contract made for financial assistance under the United States Housing Act of 1937, as amended, may be revised so as to provide that the project involved will be assisted for any of the purposes of this title. The Navy or War Department or the Authority, in the administration of any project developed for the purposes of this title, shall fix rentals for persons engaged in national defense activities and their families which will be within their financial reach, and the Authority, in any contract for financial assistance or any lease of such a project, shall require the fixing of such rentals. Projects developed by the Navy or War Department, or developed or assisted by the Authority, for the purposes of this title shall not be subject to the elimination requirements of sections 10(a) and 11(a) of said Act, or to any provisions of section 9 of said Act which would require any part of the development cost thereof to be met in any manner other than from funds loaned or furnished by the Authority. Funds expended for the purposes of this title shall be excluded in determining, for the purposes of section 21(d) of said Act, the amounts expended within each State. Except as otherwise provided herein or as may be inconsistent herewith, all the provisions of title I of said Act shall apply to this title. During the period when the President determines that in any locality there is an acute need for housing to assure the availability of dwellings for persons engaged in national defense activities, dwellings in a project developed or assisted in said locality which are devoted to the purposes of providing housing for persons engaged in national defense activities shall not be subject to sections 2 (1) and 2 (2) [2] of the United States Housing Act of 1937, as amended, and during such period such projects shall be deemed projects of a low-rent character for the purposes of any of the applicable provisions in title I [1] of said Act.

SEC. 205. The Authority may use for the purposes of this title any of the funds or authorizations heretofore or hereafter made available to it. The provisions of title I of this Act shall not apply to this title.

Approved June 28, 1940.

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[1] The United States Housing Act of 1937, as amended, 8-1.1, does not have a second title. Reference should be to the entire Act.

[2] Section 502(b) of Public Law 901, 80th Congress, approved August 10, 1948, 62 Stat. 1268, 1284, provides that "in determining net income for the purposes of tenant eligibility with respect to low-rent housing projects assigned pursuant to said Acts, [Public Laws 412 and 671] the Public Housing Administration is authorized, where it finds such action equitable and in the public interest, to exclude amounts or portions thereof paid by the United States Government for disability or death occurring in connection with military service."

9. War and Emergency Housing

1. World War II and Veterans' Housing

4. War Housing Provided by War & Navy Departments

## 4.1. PROVISION OF FUNDS

[Excerpts From Public Law 781, 76th Congress; 54 Stat. 872, 883]

AN ACT making supplemental appropriations for the national defense for the fiscal year ending June 30, 1941, and for other purposes.

*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 national defense for the fiscal year ending June 30, 1941, namely:

* * *

### TITLE II—NAVY DEPARTMENT

* * *

SEC. 201. To the President for allocation to the War Department and the Navy Department for the acquisition of necessary land and the construction of housing units,[1] including necessary utilities, roads, walks, and accessories, at locations on or near Military or Naval Establishments, now in existence or to be built, or near privately owned industrial plants engaged in military or naval activities, which for the purposes of this Act shall be construed to include activities of the Maritime Commission, where the Secretary of War, the Secretary of the Navy, or the Chairman of the Maritime Commission shall certify that such housing is important for purposes under their respective jurisdiction and necessary to the national defense program, $100,000,000: *Provided,* That the average unit cost of such housing projects, including acquisitions of land and the installation of necessary utilities, roads, walks, accessories and collateral expenses shall not be in excess of $3,500: *Provided further,* That in carrying out the purposes of this section the Secretary of War and the Secretary of the Navy may utilize such other agencies of the United States as they may determine upon: *Provided further,* That the Secretary of War and the Secretary of the Navy, at their discretion, are hereby authorized to rent such housing units, upon completion, to officers of the Army and Marine Corps not above the grade of captain, and officers of the Navy and Coast Guard, not above the grade of lieutenant, with families, assigned to duty at naval or military reservations, posts, or bases, or to duty at defense

[1] The functions, powers and duties of the War Department and the Navy Department with respect to housing units constructed under title II of Public Law 781 (except those located on military or naval reservations, posts or bases) were consolidated into the National Housing Agency pursuant to Executive Order Numbered 9070 of February 24, 1942, 7 Federal Register 1529. By virtue of Reorganization Plan No. 3 of 1947, 2-1.1, effective July 27, 1947, the Housing and Home Finance Agency succeeded to these functions of the National Housing Agency. In addition, various statutory provisions have provided for a common administration of Public Law 781 housing with housing provided under the Lanham Act, 9-1.1, and the Temporary Shelter Acts (9-1-5, 9-1-6, and 9-1-7), which housing was also placed, first, under the jurisdiction of the National Housing Agency, and later of the Housing and Home Finance Agency. See sections 4, 303, 312, and 313 of the Lanham Act, 9-1.1.

industries, to[2] enlisted men of the Army, Navy, Marine Corps with families, to field employees of the Military and Naval Establishments with families, and to workers with families who are engaged, or to be engaged, in industries essential to the military and naval national defense programs, including work on ships under the control of the Maritime Commission. The Secretary of War and the Secretary of the Navy are further authorized to use such rentals as may be collected from each housing project for the management and maintenance of the housing units therein, including utilities, roads, walks, and accessories, and to set up special reserve accounts for the amortization of the cost of the project: *Provided further,* That the authority of existing law for the negotiation of cost-plus-a-fixed-fee contracts shall be applicable to housing projects for which funds may be made available to the War and Navy Departments or the Maritime Commission.

SEC. 202. This title may be cited as "Title IV of the Naval Appropriation Act for the fiscal year 1941".

## TITLE III—GENERAL PROVISIONS

* * *

SEC. 302. Nothing in Titles I and II hereof shall be deemed to render inapplicable the provisions of the Act of March 3, 1931, as amended by the Act of August 30, 1935 (49 Stat. 1011; U.S.C., title 40, sec. 276 (a)), or the provisions of the Act of June 30, 1936 (49 Stat. 2036; U.S.C., title 41, secs. 35-45), to any contract or contracts to which the provisions of either or both of such Acts would otherwise apply.

SEC. 303. Notwithstanding any other provision of law, the wages of every laborer and mechanic employed by any contractor or subcontractor engaged in the performance of any contract of the character specified in the Act of June 19, 1912 (37 Stat. 138; U.S.C., title 40, secs. 324, 325), shall be computed on a basic day rate of eight hours per day and work in excess of eight hours per day shall be permitted upon compensation for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay.

SEC. 304. This Act may be cited as the "Second Supplemental National Defense Appropriation Act, 1941".

Approved, September 9, 1940.

[2] Public Law 120, 79th Congress, approved July 2, 1945, 59 Stat. 316, permits members of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey and the Public Health Service to occupy Government housing without regard to rank.

9. War and Emergency Housing
1. World War II and Veterans' Housing
4. War Housing Provided by War and Navy Departments

## 4.2. POWERS FOR MANAGEMENT, MAINTENANCE, OPERATION AND ADMINISTRATION

[Excerpts from Public Law 137, 77th Congress; 55 Stat. 361, 363]

AN ACT to provide for the acquisition and equipment of public works made necessary by the defense program.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

* * *

SEC. 5. The departments, agencies, or instrumentalities administering property acquired or constructed under section 201 of the Second Supplemental National Defense Appropriation Act, 1941,[1] shall have the same powers and duties with respect to such property and with respect to the management, maintenance, operation, and administration thereof as are granted to the Federal Works Administrator with respect to property acquired or constructed under title I of such Act of October 14, 1940,[2] and with respect to the management, maintenance, operation, and administration of such property so acquired or constructed under such title.

Approved, June 28, 1941.

1 Public Law 781, 76th Congress, 9-1-4.1.
2 The Lanham Act, 9-1.1.

9. War and Emergency Housing

1. World War II and Veterans' Housing

## 5. TEMPORARY SHELTER ACT

[Excerpts From Public Law 9, 77th Congress; 55 Stat. 14]

AN ACT Making additional appropriations for the fiscal year 1941 urgently required for the Work Projects Administration and Certain other Federal agencies, and for other purposes.

*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, 1941, for the following respective purposes:

* * *

EMERGENCY FUNDS FOR THE PRESIDENT

Defense housing: To enable the President of the United States, through such agencies of the Government as he may designate,[1] without regard to section 3709, Revised Statutes, to provide temporary shelter, either by the construction of buildings or otherwise, including appurtenances and including the acquisition of land or interests therein, in localities where by reason of national defense activities a shortage of housing exists, as determined by the President, and where it is not practicable under the Act of October 14, 1940 (Public, Numbered 849, Seventy-sixth Congress), or other Acts of Congress or through private enterprise to meet the immediate need for emergency housing, fiscal year 1941, $5,000,000, to be available until June 30, 1942, and to be available also for all necessary expenses incident to the providing of such facilities and the operation and management thereof, including personal services in the District of Columbia and elsewhere, printing and binding, and purchase, operation, and maintenance of motor-propelled passenger-carrying vehicles: *Provided,* That all receipts derived from the rental or operation of the facilities provided for herein shall be returned to this appropriation and shall be available for expenses of operation and management of such facilities, including administrative expenses in connection therewith, and the unobligated balance of such receipts shall be covered into the Treasury at the end of each fiscal year as miscellaneous receipts: *Provided further,* That a detailed report of expenditures under this paragraph shall be made by the agency or agencies designated by the President under this provision to the Secre-

[1] The Farm Security Administration in the Department of Agriculture, and the Public Buildings Administration and the United States Housing Authority in the Federal Works Agency were the agencies originally designated by the President to provide temporary shelter in defense areas under Public Laws 9, 73, and 353, 77th Congress. The functions, powers and duties of these agencies with respect to such temporary shelter were consolidated into the National Housing Agency pursuant to Executive Order 9070 of February 24, 1942, 7 Federal Register 1529. By virtue of Reorganization Plan No. 3 of 1947, 2-1.1, effective July 27, 1947, the Housing and Home Finance Agency succeeded to these functions of the National Housing Agency. In addition, various statutory provisions have provided for a common administration of the housing provided under Public Laws 9, 73, and 353, with housing provided under the Lanham Act, 9-1.1, and Public Law 781, 76th Congress, 9-1-4.1, which housing was likewise placed, first under the jurisdiction of the National Housing Agency, and later of the Housing and Home Finance Agency. See sections 4, 303, 312, and 313 of the Lanham Act, 9-1.1.

tary of the Senate and the Clerk of the House of Representatives every six months from and after the passage of this Act.

* * *

SEC. 2. This Act may be cited as the "Urgent Deficiency Appropriation Act, 1941".

Approved, March 1, 1941.

9. War and Emergency Housing

1. World War II and Veterans' Housing

## 6. TEMPORARY SHELTER ACT

[Excerpts From Public Law 73, 77th Congress; 55 Stat. 197, 198]

AN ACT making appropriations to supply additional urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1941, and for other purposes.

*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, to supply additional urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1941, and for other purposes, namely:

* * *

EMERGENCY FUNDS FOR THE PRESIDENT

Defense housing: For an additional amount to enable the President of the United States to provide temporary shelter in localities where by reason of national defense activities a shortage of housing exists, fiscal year 1941, including the objects and subject to the conditions specified under this head in the Urgent Deficiency Appropriation Act, 1941, approved March 1, 1941,[1] $15,000,000, to remain available until June 30, 1942.

* * *

SEC. 2. This Act may be cited as the "Additional Urgent Deficiency Appropriation Act, 1941".

Approved, May 24, 1941.

1 Public Law 9, 77th Congress, 9-1-5.

9. War and Emergency Housing

1. World War II and Veterans' Housing

## 7. TEMPORARY SHELTER ACT

[Excerpts From Public Law 353, 77th Congress; 55 Stat. 810, 818]

AN ACT making supplemental appropriations for the national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes.

*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 national defense for the fiscal years ending June 30, 1942, and June 30, 1943, and for other purposes, namely:

* * *

### TITLE III—GENERAL APPROPRIATIONS

* * *

EMERGENCY FUNDS FOR THE PRESIDENT

* * *

Defense housing: For an additional amount to enable the President of the United States to provide temporary shelter in localities where for any reason arising out of the war a shortage of housing exists, fiscal year 1942, including the objects and subject to the conditions specified under this head in the Urgent Deficiency Appropriation Act, 1941, approved March 1, 1941 [1] $300,000,000, to remain available until June 30, 1943.[2]

* * *

### TITLE V—GENERAL PROVISIONS

* * *

SEC. 503. This Act may be cited as the "Third Supplemental National Defense Appropriation Act, 1942".

Approved, December 17, 1941.

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[1] Public Law 9, 77th Congress, 9-1-5.

[2] Not exceeding $7,000,000 of unexpended balance of the appropriation was continued available until June 30, 1944, by the Second Deficiency Appropriation Act, 1943, Public Law 140, 78th Congress, approved July 12, 1943, 57 Stat. 537, 541.

9. War and Emergency Housing

2. Defense Housing and Community Facilities and Services

# 1.1. EXCERPTS FROM THE DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951

[Public Law 139, 82d Congress; 65 Stat. 293; 42 U.S.C. 1591 (1946 ed. Supp. V)]

AN ACT—To assist the provision of housing and community facilities and services required in connection with the national defense.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Defense Housing and Community Facilities and Services Act of 1951".

## TITLE I—CRITICAL DEFENSE HOUSING AREAS, PROCEDURES FOR EXERCISE OF AUTHORITY, AND EXPIRATION DATE

SEC. 101. (a) Notwithstanding any other provisions of this Act, the authority contained in titles II or III of this Act shall not be exercised in any area unless the President shall have determined that such area is a critical defense housing area.[1]

(b) No area shall be determined to be a critical defense housing area pursuant to this section unless the President finds that in such area all the following conditions exist:

(1) a new defense plant or installation has been or is to be provided, or an existing defense plant or installation has been or is to be reactivated or its operation substantially expanded;

(2) substantial in-migration of defense workers or military personnel is required to carry out activities at such plant or installation; and

(3) a substantial shortage of housing required for such defense workers or military personnel exists or impends which impedes or threatens to impede activities at such defense plant or installation, or that community facilities or services required for such defense workers or military personnel are not available or are insufficient, or both, as the case may be.

SEC. 102. In order to assure that private enterprise shall be afforded full opportunity to provide the defense housing needed wherever possible, in any area which the President, pursuant to the authority contained in section 101 hereof, has declared to be a critical defense housing area—

(a) first, the number of permanent dwelling units (including information as to types, rentals, and general locations) needed for defense workers and military personnel in such critical defense housing area shall be publicly announced and printed in the Federal Register by the Housing and Home Finance Administrator;

(b) second, residential credit restrictions under the Defense

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[1] See also 9-2-; Executive Order 10296; 20-1, Control of Real Estate Credit.

Production Act of 1950, as amended,[1] (1) as to housing to be sold at $12,000 or less per unit or to be rented at $85 or less per unit per month, shall be suspended [2] with respect to the number and types of housing units at the sales prices or rentals which the President determines to be needed in such area for defense workers or military personnel, and (2) as to all other housing, shall be relaxed [2] in such manner and to such extent as the president determines to be necessary and appropriate to obtain the production of such housing needed in such area for defense workers or military personnel;

(c) third, the mortgage insurance aids provided under title II [3] of this Act shall be made available to obtain the production of housing needed in such area for defense workers or military personnel; and

(d) fourth, no permanent housing shall be constructed by the Federal Government under the provisions of title III hereof except to the extent that private builders or eligible mortgagees have not, within a period of not less than ninety days (as the Housing and Home Finance Administrator shall specify) following public announcement of the availability of such mortgage insurance aids under title II of this Act, indicated through bona fide applications (which meet the requirements as to types, rentals or sales prices, and general locations) for exceptions from such residential credit restrictions or for mortgage insurance or guaranty that they will provide the housing determined to be needed in such area for defense workers and military personnel and publicly announced as provided by subsection (a) of this section.

SEC. 103. In order to assure that community facilities [4] or services required in connection with national defense activities shall, wherever possible, be provided by the appropriate local agencies with local funds, in any area which the President, pursuant to the authority contained in section 101 hereof, has declared to be a critical defense housing area—

(a) no loan shall be made pursuant to title III of this Act for the provisions of community facilities or equipment therefor required in connection with national defense activities in such area unless the chief executive officer of the appropriate political subdivision certifies, and the Housing and Home Finance Administrator finds, that such facilities or equipment could not otherwise be provided when needed;

(b) no grant or other payment shall be made pursuant to title III of this Act for the provision, or for the operation and mainte-

1 See 20-1.1.

2 See also 9-2-2, Executive Order 10296; 20-1, Control of Real Estate credit; and sec. 611, infra.

3 See 4-1.7 for the provisions of title IX of the National Housing Act which were added to that Act by title II of Public Law 139, 82d Congress.

4 See also 10-4.1, Public Law 815, 81st Congress, the school construction act. Appropriations for the purposes of that Act were made available for urgently needed school facilities in areas determined by the President to be critical areas by reason of national defense activities.

9. War and Emergency Housing

2. Defense Housing and Community Facilities and Services

# 1.2. TITLE III OF THE DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951

## TITLE III—PROVISION OF DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES

SEC. 301. Subject to the provisions and limitations of title I hereof and subject to the provisions and limitations of this title, the Housing and Home Finance Administrator[1] (hereinafter referred to as the "Administrator") is authorized to provide housing in any areas (subject to the provisions of section 101 hereof) needed for defense workers or military personnel or to extend assistance for the provision of, or to provide, community facilities or services required in connection with national defense activities in any area which the President,[2] pursuant to the authority contained in section 101 hereof, has determined to be a critical defense housing area.

SEC. 302. (a) Consistent with other requirements of national defense, any permanent housing constructed pursuant to the authority of this title shall consist of one- to four-family dwelling structures (including row houses) so arranged that they may be offered for separate sale. All housing of permanent construction which is constructed or acquired under the authority of this title shall be sold as expeditiously as possible and in the public interest taking into consideration the continuation of the need for such housing by persons engaged in national defense activities. All dwelling structures of permanent construction designed for occupancy by not more than four families (including row houses) shall be offered for sale, and preference in the purchase of any such dwelling structure shall be granted to occupants and to veterans over other prospective purchasers. As among veterans, preference in the purchase of any such dwelling structure shall be given to disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected. All dwelling structures of permanent construction in any housing project which are designed for occupancy by more than four families (and other structures in such project which are not sold separately) shall be sold as an entity. On such sales first preference

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1 Effective November 23, 1951, the Administrator authorized the Public Housing Commissioner, subject to his supervision, to execute the powers and functions vested in the Administrator under the provisions of title III of Public Law 139, 82d Congress, including the power to make findings and determinations thereunder, with respect to housing and to utilities at the site of, or in connection with, such housing. The Commissioner was further authorized to redelegate such authority to employees of the PHA. (16 F.R. 12236).

Housing Administrator's Organizational Order No. 1, 2-1-3, provides that the management of liquidating activities with respect to defense community facilities and services should be administered by the Community Facilities Commissioner under the supervision and direction of the Administrator.

See also Revolving Fund for Liquidating Programs, 2-2.4.

2 See 9-2-2, Executive Order 10296. See also, sec. 104, *supra*, for time limitation.

shall be given for such period not less than ninety days nor more than six months from the date of the initial offering of such project as the Administrator may determine, to groups of veterans organized on a mutual ownership or cooperative basis (provided that any such group shall accept as a member of its organization, on the same terms, subject to the same conditions, and with the same privileges and responsibilities, required of, and extended to, other members of the group any tenant occupying a dwelling unit in such project, at any time during such period as the Administrator shall deem appropriate, starting on the date of the announcement by the Administrator of the availability of such project). The Administrator shall provide an equitable method of selecting the purchasers when preferred purchasers (or groups of preferred purchasers) in the same preference class or containing members in the same preference class compete with each other. Sales pursuant to this section shall be for cash or credit, upon such terms as the Administrator shall determine, and at the fair value of the property as determined by him: *Provided,* That full payment to the Government for the property sold shall be required within a period of not exceeding twenty-five years with interest on unpaid balances at not less than 4 per centum per annum.

(b) Where it is necessary to provide housing under this title in locations where, in the determination of the Administrator, there appears to be no need for such housing beyond the period during which it is needed for housing persons engaged in national defense activities, the provisions of section 102 hereof shall not be applicable and temporary housing which is of a mobile or portable character or which is otherwise constructed so as to be available for reuse at other locations or existing housing built or acquired by the United States under authority of other law [1] shall be provided.

[2]Any temporary housing constructed or acquired under this title which the Administrator determines to be no longer needed for use under this title shall, unless transferred to the Department of Defense pursuant to section 306 hereof, or reported as excess to the Administrator of the General Services Administration pursuant to the Federal Property and Administrative Services Act of 1949, as amended, be sold as soon as practicable to the highest responsible bidder after public advertising, except that if one or more of such bidders is a veteran purchasing a dwelling unit for his own occupancy the sale of such unit shall be made to the highest responsible bidder who is a

[1] The phrase "or existing housing built or acquired by the United States under authority of other law" was added by sec. 5 of the Housing Act of 1952, Public Law 531, 82d Congress, approved July 14, 1952, 66 Stat. 601, 602, to permit the transfer of masonry temporary housing, built under the Lanham Act or similar acts, to meet temporary defense needs under the Defense Housing Act of 1951.

[2] This paragraph added by sec. 806 of the Housing Act of 1954, Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 590, 645.

9. War and Emergency Housing

1. World War II and Veterans' Housing

## 8. UTILITY SERVICES FOR GOVERNMENT HOUSING FACILITIES

[Excerpts From Public Law 796, 80th Congress [1]; 62 Stat. 1062]

AN ACT to amend the Act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as amended.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

* * *

SEC. 2. (a) Any Federal agency (including any wholly owned Government corporation) administering utility installations connected to a utility system for housing under the jurisdiction of the Housing and Home Finance Administrator is authorized—

(1) to continue to provide utilities and utility services to such housing as long as it is under the jurisdiction of the Administrator;

(2) to contract with the purchasers or transferees of such housing to continue the utility connection with such installations and furnish such utilities and services as may be available and needed in connection with such housing, for such period of time (not exceeding the period of Federal administration of such installations) and subject to such terms (including the payment of the pro rata cost to the Government or the market value of the utilities and services furnished, whichever is greater) as may be determined by the head of the agency;

(3) to dispose of such installations, when excess to the needs of the agency, and where not excess to grant an option to purchase, to the purchasers or transferees of such housing, for an amount not less than the appraised value of the installations and upon such terms and conditions as the head of the agency shall establish.

(b) Any Federal agency (including any wholly owned Government corporation) having under its jurisdiction lands across which run any part of a utility system for housing under the jurisdiction of the Administrator is authorized to grant to the Administrator, or to the purchasers or transferees of such housing, easements (which may be perpetual) on such land for utility purposes.

* * *

Approved June 28, 1948.

[1] See also title II of the Lanham Act, 10-3.1.

9. War and Emergency Housing
1. World War II and Veterans' Housing

# 9. DEFENSE HOMES CORPORATION

HISTORICAL NOTE ON DEFENSE HOMES CORPORATION

The Defense Homes Corporation was incorporated under the laws of Maryland on October 23, 1940, by the Federal Loan Administrator pursuant to a letter from the President of the United States to the Secretary of the Treasury dated October 18, 1940. The letter allocated funds to the Federal Loan Administrator from the President's emergency fund for the purchase of the entire capital stock of the Corporation. The President's emergency fund was reimbursed in the amount of $10 million pursuant to section 3 of the Lanham Act (9-1.1) from funds appropriated to carry out the purposes of the Lanham Act. Additional funds to finance the Corporation's activities were obtained by borrowing from the Reconstruction Finance Corporation. Executive Order 9070, issued February 24, 1942 (50 War App. USC 601, Note (1946 ed.)) consolidated the Defense Homes Corporation, together with its powers, duties and functions, including those of its officers and board of directors, into the National Housing Agency to be administered by the Federal Public Housing Commissioner under the direction of the National Housing Administrator. Executive Order 9070 transferred the capital stock of the Corporation to the National Housing Administrator. Reorganization Plan No. 3 of 1947 (2-1.1), effective July 27, 1947, transferred functions with respect to liquidation of the Defense Homes Corporation to the Public Housing Administration, which was established by the Plan as a constitutent agency of the Housing and Home Finance Agency created by the Plan. The Government Corporations Appropriations Act, 1949, Public Law 860, 80th Congress, approved June 30, 1948, 62 Stat. 1183, provided that the Housing and Home Finance Administrator should transfer to the Reconstruction Finance Corporation not later than July 30, 1948, all stock and assets and liabilities of the Defense Homes Corporation and that the Reconstruction Finance Corporation should liquidate the Defense Homes Corporation. Reorganization Plan No. 2 of 1954 (2-1.6), effective July 1, 1954, transferred to the Federal National Mortgage Association (5-1) the functions of the Reconstruction Finance Corporation relating to mortgages held by the RFC which were made or acquired under the authority of the Defense Homes Corporation.

The Defense Homes Corporation was organized to provide and operate permanent housing for persons engaged in national defense activities. Twenty-five housing projects were developed containing 8,500 family units and 2,462 rooms. All of the housing was disposed of before the Corporation was transferred to the RFC for liquidation.

9. War and Emergency Housing

2. Defense Housing and Community Facilities and Services

# 1.1. EXCERPTS FROM THE DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951

[Public Law 139, 82d Congress; 65 Stat. 293; 42 U.S.C. 1591 (1946 ed. Supp. V)]

AN ACT—To assist the provision of housing and community facilities and services required in connection with the national defense.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Defense Housing and Community Facilities and Services Act of 1951".

## TITLE I—CRITICAL DEFENSE HOUSING AREAS, PROCEDURES FOR EXERCISE OF AUTHORITY, AND EXPIRATION DATE

SEC. 101. (a) Notwithstanding any other provisions of this Act, the authority contained in titles II or III of this Act shall not be exercised in any area unless the President shall have determined that such area is a critical defense housing area.[1]

(b) No area shall be determined to be a critical defense housing area pursuant to this section unless the President finds that in such area all the following conditions exist:

(1) a new defense plant or installation has been or is to be provided, or an existing defense plant or installation has been or is to be reactivated or its operation substantially expanded;

(2) substantial in-migration of defense workers or military personnel is required to carry out activities at such plant or installation; and

(3) a substantial shortage of housing required for such defense workers or military personnel exists or impends which impedes or threatens to impede activities at such defense plant or installation, or that community facilities or services required for such defense workers or military personnel are not available or are insufficient, or both, as the case may be.

SEC. 102. In order to assure that private enterprise shall be afforded full opportunity to provide the defense housing needed wherever possible, in any area which the President, pursuant to the authority contained in section 101 hereof, has declared to be a critical defense housing area—

(a) first, the number of permanent dwelling units (including information as to types, rentals, and general locations) needed for defense workers and military personnel in such critical defense housing area shall be publicly announced and printed in the Federal Register by the Housing and Home Finance Administrator;

(b) second, residential credit restrictions under the Defense

[1] See also 9-2-2, Executive Order 10296; 20-1, Control of Real Estate Credit; and 70-1, Credit Regulation.

Production Act of 1950, as amended,[1] (1) as to housing to be sold at $12,000 or less per unit or to be rented at $85 or less per unit per month, shall be suspended [2] with respect to the number and types of housing units at the sales prices or rentals which the President determines to be needed in such area for defense workers or military personnel, and (2) as to all other housing, shall be relaxed [2] in such manner and to such extent as the president determines to be necessary and appropriate to obtain the production of such housing needed in such area for defense workers or military personnel;

(c) third, the mortgage insurance aids provided under title II [3] of this Act shall be made available to obtain the production of housing needed in such area for defense workers or military personnel; and

(d) fourth, no permanent housing shall be constructed by the Federal Government under the provisions of title III hereof except to the extent that private builders or eligible mortgagees have not, within a period of not less than ninety days (as the Housing and Home Finance Administrator shall specify) following public announcement of the availability of such mortgage insurance aids under title II of this Act, indicated through bona fide applications (which meet the requirements as to types, rentals or sales prices, and general locations) for exceptions from such residential credit restrictions or for mortgage insurance or guaranty that they will provide the housing determined to be needed in such area for defense workers and military personnel and publicly announced as provided by subsection (a) of this section.

SEC. 103. In order to assure that community facilities [4] or services required in connection with national defense activities shall, wherever possible, be provided by the appropriate local agencies with local funds, in any area which the President, pursuant to the authority contained in section 101 hereof, has declared to be a critical defense housing area—

(a) no loan shall be made pursuant to title III of this Act for the provisions of community facilities or equipment therefor required in connection with national defense activities in such area unless the chief executive officer of the appropriate political subdivision certifies, and the Housing and Home Finance Administrator finds, that such facilities or equipment could not otherwise be provided when needed;

(b) no grant or other payment shall be made pursuant to title III of this Act for the provision, or for the operation and mainte-

1 See 20-1.1.

2 See also 9-2-2, Executive Order 10296; 20-1, Control of Real Estate Credit; 70-1, Credit Regulations; and sec. 611, infra.

3 See 4-1.7 for the provisions of title IX of the National Housing Act which were added to that Act by title II of Public Law 139, 82d Congress.

4 See also 10-4.1, Public Law 815, 81st Congress, the school construction act. Appropriations for the purposes of that Act were made available for urgently needed school facilities in areas determined by the President to be critical areas by reason of national defense activities.

nance, of community facilities or equipment therefor, or for the provision of community services, required in connection with national defense activities in such area unless the chief executive officer of the appropriate political subdivision certifies, and the Housing and Home Finance Administrator finds, that such community facilities or services cannot otherwise be provided when needed, or operated and maintained, as the case may be, without the imposition of an increased excessive tax burden or an unusual or excessive increase in the debt limit of the appropriate local agency; and

(c) no community facilities or services shall be provided, and no community facilities shall be maintained and operated, by the United States directly except where the appropriate local agency is demonstrably unable to provide such facilities and services, or to maintain or operate such community facilities and services adequately with its own personnel, with loans, grants, or payments authorized to be made pursuant to title III hereof.

For the purposes of this section, the term "chief executive officer of the appropriate political subdivision" shall mean appropriate principal executive officer or governing body having primary responsibility with respect to the community facility or service involved, but shall not, in any case, mean any public housing authority, or its governing body, or any of its officers, acting in such capacity.

SEC. 104. After June 30, 1953, no construction of permanent housing may be begun under title III of this Act.[1] After June 30, 1954,[2] (a) no mortgage may be insured under title IX of the National Housing Act,[3] as amended ([4] except (i) pursuant to a commitment to insure issued on or before such date or (ii) after July 31, 1954, and until August 1, 1955, during such period, or for such project or projects, as the President may designate hereunder or (iii)[5] pursuant to a commitment to insure issued pursuant to the preceding clause (ii)), (b) no agreement may be made to extend assistance for the provision of community facilities [6] or services under title III of this Act, and no construction of temporary [7] housing or community facilities by the United States may be begun under such title, except after July 31, 1954, and until August 1, 1955,[8] during such period, or for such project or projects, as the

[1] This sentence was added by section 16 of the Housing Amendments of 1953, Public Law 94, 83d Congress, approved June 30, 1953, 67 Stat. 121, 125.

[2] Section 16 of the Housing Amendments of 1953, Public Law 94, 83d Congress, approved June 30, 1953, 67 Stat. 121, 125 substituted "1954" for "1953".

[3] See 4-1.7 for the provisions of title IX of the National Housing Act which were added to that Act by title II of Public Law 139, 82d Congress.

[4] Material within this parenthesis amended by sec. 129 of the Housing Act of 1954, Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 590, 609. Sec. 2 of Public Law 119, 84th Congress, approved June 30, 1955, 69 Stat. 225, substituted "August 1, 1955" for "July 1, 1955".

[5] Clause (iii) inserted by sec. 105 of the Housing Amendments of 1955, Public Law 345, 84th Congress, approved August 11, 1955, 69 Stat. 635, 637.

[6] See 9-2-1.6 for provisions extending authority to assist hospital construction.

[7] Section 16 of the Housing Amendments of 1953, Public Law 94, 83d Congress, approved June 30, 1953, 67 Stat. 121, 125 inserted the word "temporary".

[8] President's standby authority until July 1, 1955 provided by sec. 129 of the Housing Act of 1954, Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 590, 609. Sec. 2 of Public Law 119, 84th Congress, approved June 30, 1955, 69 Stat. 225, substituted "August 1, 1955" for "July 1, 1955".

President [1] may designate hereunder: *Provided,*[2] That, to the extent necessary to assure the adequate completion of any facilities for which prior agreements have been made under title III, the Housing and Home Finance Administrator may, at any time after July 31, 1954, enter into amendatory agreements under such title involving the expenditure of additional Federal funds within the balance available therefor on or before such date and (c) no loan may be made or obligations purchased by the Housing and Home Finance Administrator under section 102a of the Housing Act of 1948 [3], as amended (except pursuant to a commitment issued on or before June 30, 1953, or to refinance an existing loan or existing obligations held under such section by said Administrator on June 30, 1953).

## TITLE II—MORTGAGE INSURANCE FOR DEFENSE HOUSING

SEC. 201. * * * [See 4-1.7, Title IX]

SEC. 202. * * * [See 4-1.1, Sections 1 and 5]

SEC. 203. * * * [4-1.2, Section 212(a)]

SEC. 204. * * * [See 4-1.2, Section 215]

SEC. 205.[4] * * *

SEC. 206. * * * [See 4-1.4, Section 608]

* * *

SEC. 208. * * * [See 12 U. S. C. 1430]

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[1] Section 2 of Executive Order 10296, 9-2-2, provides that the Director of the Office of Civil and Defense Mobilization is empowered to perform, without the approval, ratification, or other action of the President, the functions of the President in this section relative to the designation of periods and projects.

[2] Proviso added by sec. 129 of the Housing Act of 1954, Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 590, 609.

[3] See 6-3.1 for section 102a of the Housing Act of 1948, as amended.

[4] Sec. 205 added provision to sec. 301 (a) of the National Housing Act to authorize FNMA to purchase title IX mortgages. See section 305 of the National Housing Act as amended by the Housing Act of 1954, 5-1.

veteran so purchasing: *Provided,* That the Housing and Home Finance Administrator may reject any bid for less than two-thirds of the appraised value as determined by him: *Provided further,* That the housing may be sold at fair value (as determined by the Housing and Home Finance Administrator) to a public body for public use: *And provided further,* That the housing structures shall be sold for removal from the site, except that they may be sold for use on the site if the governing body of the locality has adopted a resolution approving use of such structures on the site.

(c) When the Administrator determines that any housing provided under this title is no longer required for persons engaged in national defense activities, preference in admission to occupancy thereof shall be given to veterans pending its ultimate sale or disposition in accordance with the provisions of this title. As among veterans, preference in admission to occupancy shall be given to disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected.

SEC. 303. The cost per family dwelling unit for any housing project constructed under the authority of this title shall not exceed an average of $9,000 for two-bedroom units in such project, $10,000 for three-bedroom units in such project, and $11,000 for four-bedroom units in such project: *Provided,* That the Administrator may increase any such dollar limitation by not exceeding $1,000 in any geographical area where he finds that cost levels so require: *Provided further,* That in the Territories and possessions of the United States the Administrator may increase any such dollar limitation by 50 per centum: *And provided further,* That for the purposes of this section the cost of any land acquired by the Administrator upon the filing of a declaration of taking in proceedings for the condemnation of fee title shall be considered to be the amount determined by the Administrator, upon the basis of competent appraisal, to be the value thereof.

SEC. 304. In furtherance of the purposes of this title and subject to the provisions hereof, the Administrator may make loans or grants, or other payments, to public and nonprofit agencies for the provision, or for the operation and maintenance, of community facilities and equipment therefor, or for the provision of community services, upon such terms and in such amounts as the Administrator may consider to be in the public interest: *Provided,* That grants under this title to any local agency for hospital construction may be made only after such action by the local agency to secure assistance under Public Law 725, Seventy-ninth Congress, approved August 13, 1946, as amended, or Public Law 380, Eighty-first Congress, approved October 25, 1949, as is determined to be reasonable under the circumstances, and only to the extent that the required assistance is not available to such local agency under said Public Law 725, or said Public Law 380, as the case may be: *Provided further,* That grants or payments for the pro-

vision, or for the maintenance and operation, of community facilities or services under this section shall not exceed the portion of the cost of the provision, or the maintenance and operation, of such facilities or services which the Administrator estimates to be attributable to the national defense activities in the area and not to be recovered by the public or nonprofit agency from other sources, including payments by the United States under any other provisions of this Act or any other law: *And provided further,* That any such continuing grant or payment shall be reexamined and adjusted annually upon the basis of the ability of the agency to bear a greater portion of the cost of such maintenance, operation, or services as a result of increased revenues made possible by such facility or by such defense activities.

SEC. 305. (a) With respect to any housing or community facilities or services which the Administrator is authorized to provide, or any property which he is authorized to acquire, under this Act, the Administrator is authorized by contract or otherwise (without regard to sections 1136 and 3709 of the Revised Statutes, as amended, section 322 of the Act of June 30, 1932 (47 Stat. 412), as amended, the Federal Property and Administrative Services Act of 1949, as amended, and prior to the approval of the Attorney General) to make plans, surveys, and investigations; to acquire (by purchase, donation, condemnation or otherwise), construct, erect, extend, remodel, operate, rent, lease, exchange, repair, deal with, insure, maintain, convey, sell for cash or credit, demolish, or otherwise dispose of any property, land, improvement, or interest therein; to provide approaches, utilities, and transportation facilities; to procure necessary materials, supplies, articles, equipment, and machinery; to make advance payments for leased property; to pursue to final disposition by way of compromise or otherwise, claims both for and against the United States (exclusive of claims in excess of $5,000 arising out of contracts for construction, repairs, and the purchase of supplies and materials, and claims involving administrative expenses) which are not in litigation and which have not been referred to the Department of Justice; and to convey without cost to States and political subdivisions and instrumentalities thereof property for streets and other public thoroughfares and easements for public purposes: *Provided,* That any instrument executed by the Administrator and purporting to convey any right, title or interest in any property acquired pursuant to this title or title IV of this Act shall be conclusive evidence of compliance with the provisions thereof insofar as title or other interest of any bona fide purchasers, lessees or transferees of such property is concerned. Notwithstanding any provisions of this Act, housing or community facilities constructed by the United States pursuant to the authority contained herein shall conform to the requirements of State and local laws, ordinances, rules, or regulations relating to health and sanitation, and, to the maximum extent practicable, taking into consideration the availability of materials and the requirements of national defense, any housing or com-

munity facilities, except housing or community facilities of a temporary character, constructed by the United States pursuant to the authority contained herein shall conform to the requirements of State or local laws, ordinances, rules, or regulations relating to building codes.

(b) Before condemnation proceedings are instituted pursuant to this title or title IV, an effort shall be made to acquire the property involved by negotiation unless, because of reasonable doubt as to the identity of the owner or owners, because of the large number of persons with whom it would be necessary to negotiate, or for other reasons, the effort to acquire by negotiation would involve, in the judgment of the Administrator, such delay in acquiring the property as to be contrary to the interest of national defense. In any condemnation proceeding instituted pursuant to this title or title IV, the court shall not order the party in possession to surrender possession in advance of final judgment unless a declaration of taking has been filed, and a deposit of the amount estimated to be just compensation has been made, under the first section of the Act of February 26, 1931 (46 Stat. 1421), providing for such declarations. Unless title is in dispute, the court, upon application, shall promptly pay to the owner at least 75 per centum of the amount so deposited, but such payment shall be made without prejudice to any party to the proceeding.

(c) If any real property acquired under this title or title IV is retained after June 30, 1954,[1] without having been used for the purposes of this Act, the Administrator shall, if the original owner desires the property and pays the fair value thereof, return such property to the owner. In the event the Administrator and the original owner do not agree as to the fair value of the property, the fair value shall be determined by three appraisers, one of whom shall be chosen by the Administrator, one by the original owner, and the third by the first two appraisers; the expenses of such determination shall be paid in equal shares by the Government and the original owner.

SEC. 306. Any Federal agency may, upon request of the Administrator, transfer to his jurisdiction without reimbursement any lands, improved or unimproved, or other property real or personal, considered by the Administrator to be needed or useful for housing or community facilities, or both, to be provided under this title, and the Administrator is authorized to accept any such transfers. The Administrator may also utilize any other real or personal property under his jurisdiction for the purpose of this title without adjustment of the appropriations or funds involved. Any property so transferred or utilized, and any funds in connection therewith, shall be subject only to the authorizations and limitations of this title. The Administrator may, in his discretion, upon request of the Secretary of Defense or his designee, transfer to the jurisdiction of the

[1] Section 17 of the Housing Amendments of 1953, Public Law 94, 83d Congress, approved June 30, 1953, 67 Stat. 121, 125, substituted "1954" for "1953".

Department of Defense without reimbursement any land, improvements, housing, or community facilities constructed or acquired under the provisions of this title and considered by the Department of Defense to be required for the purposes of the said Department.[1] Upon the transfer of any such property to the jurisdiction of the Department of Defense, the laws, rules, and regulations relating to property of the Department of Defense shall be applicable to the property so transferred, and the provisions of this title and the rules and regulations issued thereunder shall no longer apply.

SEC. 307. Notwithstanding any other provisions of law, the acquisition by the United States of any real property pursuant to this title or title IV of this Act shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property, or impair the civil or other rights under the State or local law of the inhabitants of such property. Any proceedings by the United States for the recovery of possession of any property or project acquired, developed, or constructed under this title or title IV of this Act may be brought in the courts of the States having jurisdiction of such causes.

SEC. 308. The Administrator shall pay from rentals annual sums in lieu of taxes and special assessments to any State and/or political subdivision thereof, with respect to any real property, including improvements thereon, acquired and held by him under this title for residential purposes (or for commercial purposes incidental thereto), whether or not such property is or has been held in the exclusive jurisdiction of the United States. The amount so paid for any year upon such property shall approximate the taxes and special assessments which would be paid to the State and/or subdivision, as the case may be, upon such property if it were not exempt from taxation and special assessments, with such allowance as may be considered by him to be appropriate for expenditures by the Federal Government for the provision or maintenance of streets, utilities, or other public services to serve such property.

SEC. 309. In carrying out this title—

(a) notwithstanding any other provisions of this title, so far as is consistent with emergency needs, contracts shall be subject to section 3709 of the Revised Statutes;

(b) the cost-plus-a-percentage-of-cost system of contracting shall not be used, but contracts may be made on a cost-plus-a-fixed-fee basis: *Provided,* That the fixed fee shall not exceed 6 per centum of the estimated cost;

(c) wherever practicable, existing private and public community facilities shall be utilized or such facilities shall be extended, enlarged, or equipped in lieu of constructing new facilities; and

[1] See also 9-2-4.

(d) all right, title, and interest of the United States in and to any community facilities constructed by the United States pursuant to the authority contained in this title shall (if such agency is willing to accept such facility and operate the same for the purpose for which it was constructed) be disposed of to the appropriate State, city, or other local agency having responsibility for such type of facility in the area not later than one year after the expiration date specified in title I hereof, and subject to the conditions and requirements hereafter prescribed by the Congress.

SEC. 310. (a) Notwithstanding any other provision of law, the wages of every laborer and mechanic employed on any construction, maintenance, repair, or demolition work authorized by this title shall be computed on a basic day rate of eight hours per day and work in excess of eight hours per day shall be permitted upon compensation for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay.

(b) The provisions of the Davis-Bacon Act (49 Stat. 1011), as amended; of title 18, United States Code, section 874; and of title 40, United States Code, section 276c, shall apply in accordance with their terms to work pursuant to this title.

(c) Any contract for loan or grant, or both, pursuant to this title shall contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act, as amended, shall be paid to all laborers and mechanics employed in the construction of the project at the site thereof; and the Administrator shall require certification as to compliance with the provisions of this subsection prior to making any payment under such contract.

(d) Any contractor engaged in the development of any project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within five days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective payrolls on the particular project, the aggregate amount of such payrolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

(e) The Secretary of Labor shall prescribe appropriate standards, regulations, and procedures, which shall be observed by the Administrator in carrying out the provisions of this title (and cause to be made by the Department of Labor such investigations) with respect to compliance with and enforcement of the labor standards provisions of this section, as he deems desirable.

SEC. 311. Moneys derived from rentals, operation, or disposition of property acquired or constructed under the provisions of this title

shall be available for expenses of operation, maintenance, improvement, and disposition of any such property, including the establishment of necessary reserves therefor and administrative expenses in connection therewith: *Provided,* That such moneys derived from rentals, operation, or disposition may be deposited in a common fund account or accounts in the Treasury: *And provided further,* That the moneys in such common fund account or accounts shall not exceed $5,000,000 at any time, and all moneys in excess of such amount shall be covered into miscellaneous receipts.[1]

SEC. 312. The Administrator shall fix fair rentals[2] based on the value thereof as determined by him which shall be charged for housing accommodations operated under this title and may prescribe the class or classes of persons who may occupy such accommodations, preferences, or priorities in the rental thereof, and the terms, conditions, and period of such occupancy.

SEC. 313. There are hereby authorized to be appropriated—

(a) such sums, not exceeding $100,000,000,[3] as may be necessary for carrying out the provisions and purposes of this title relating to community facilities and services in critical defense housing areas; and

(b) such sums, not exceeding $100,000,000,[3] as may be necessary for carrying out the provisions and purposes of this title relating to housing in critical defense housing areas.

SEC. 314. Subject to all the limitations and restrictions of this Act, including, specifically, the requirements of subsection (c) of section 103 hereof and of subsections (c) and (d) of section 309 hereof, where

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[1] The Second Supplemental Appropriation Act, 1952, Public Law 254, 82d Congress, approved November 1, 1951, 65 Stat. 760, 40-2-5, provides that any moneys or reserves authorized by section 311 of the Defense Housing and Community Facilities and Services Act of 1951 may be merged (for accounting purposes only) with moneys or reserves authorized by sections 303 and 605(c) of the Lanham Act, as amended, 9-1.1.

[2] Sec. 204(q) of the Housing and Rent Act of 1947, as amended, 50 U.S.C. App. 1894, and sec. 1413 of the Supplemental Appropriation Act, 1953, Public Law 547, 82d Congress, approved July 15, 1952, 6 Stat. 637, 661, require rents on Federally-owned housing supplied to Federal employees or members of the Armed Services (except public quarters assigned to members of the Armed Services) to be set and administered in accordance with Bureau of the Budget Circular A-45. Sec. 1312 of the Supplemental Appropriation Act, 1954, Public Law 207, 83d Congress, approved Aug. 7, 1953, 67 Stat. 418, 437, contains the same provisions as Sec. 1413 of Public Law 547, 82d Congress. Sec. 1309 of the Supplemental Appropriation Act, 1955, Public Law 663, 83d Congress, approved August 26, 1954, 68 Stat. 800, 829, provides that during the fiscal year 1955 the provision of Circular A-45, dated June 3, 1952, shall be controlling, provided that said circular may be amended during the year by the Director of the Budget with the approval of the Chairman of the House Committee on Appropriations.

[3] The Second Supplemental Appropriation Act, 1952, Public Law 254, 82d Congress, approved November 1, 1951, 65 Stat. 760, appropriated $25,000,000 to remain available until expended for defense housing, and increased the administrative expenses of the Public Housing Administration for fiscal 1952 from $12,780,000 to $13,155,000; appropriated $11,250,000 to the Office of the Administrator to remain available until expended for the provision of defense community facilities and services, including loans and grants therefor; appropriated $4,000,000 to the Federal Security Agency for community facilities and services, including loans and grants therefor, and provided that not to exceed $2,000,000 of that appropriation should be available to the Office of Education for payments to local educational agencies for the maintenance and operation of schools in critical defense housing areas pursuant to Public Law 874, 81st Congress, 64 Stat. 1100, as amended, and for providing school facilities and making grants pursuant to title III of Public Law 815, 81st Congress (10-4.1), as amended, contingent upon H.R. 5411, 82d Congress being enacted into law. H.R. 5411 would have added title III to Public Law 815, but it was pocket vetoed. Public Law 254 also appropriated $250,000 to FSA for salaries and expenses, defense community facilities and services.

any other officer, department, or agency is performing, or, in the determination of the President, has facilities adapted to the performance of, functions, powers and duties similar, or directly related, to any of the functions, powers and duties which the Housing and Home Finance Administrator is authorized by this title to perform with respect to the construction, maintenance or operation of community facilities for recreation, and day-care centers, or the provision of community services, the President may transfer to such other officer, department, or agency any of the functions, powers, and duties authorized by this title to be performed with respect thereto if he finds that such transfer will assist the furtherance of national defense activities, and upon any such transfer, funds in such amount as the Director of the Bureau of the Budget shall determine, but in no event in excess of the balance of any moneys appropriated to the Housing and Home Finance Administrator pursuant to the authorization therefor contained in this title for the performance of the transferred functions, powers, and duties, may also be transferred by the President to such other officer, department, or agency: *Provided,* That the President,[1] by Executive Order or otherwise, may prescribe or direct the manner in which any functions, powers, and duties, which the Housing and Home Finance Administrator is authorized by this title to perform

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The Third Supplemental Appropriation Act, 1952, Public Law 375, 82d Congress, approved June 5, 1952, 66 Stat. 101, appropriated to the HHFA $12,500,000 for defense housing and $9,375,000 for defense community facilities and services, both appropriations to remain available until expended, and with the proviso attached to each appropriation that no part of the appropriation shall be used for the construction of any project unless funds are available for the completion of the project. The Act also appropriated to the Federal Security Agency $4,000,000 for defense community facilities and services, to remain available until June 30, 1953.

Sec. 4 of the Housing Act of 1952, Public Law 531, 82d Congress, approved July 14, 1952, 66 Stat. 601, 602, increased the authorization for community facilities and services from $60,000,000 to $100,000,000 and the authorization for defense housing from $50,000,000 to $100,000,000.

The Independent Offices Appropriation Act, 1953, Public Law 455, 82d Congress, approved July 5, 1952, 66 Stat. 393, 402, provided that during fiscal 1953 not to exceed $112,500 of the appropriation granted to HHFA for defense community facilities and services in the Second Supplemental Appropriation Act, 1952, shall be available for administrative expenses in connection with the construction of facilities under the appropriation.

The Supplemental Appropriation Act, 1953, Public Law 547, 82d Congress, approved July 15, 1952, 66 Stat. 637, appropriated $50,000,000, including not to exceed $1,433,735 for administrative expenses of PHA, to remain available until expended, for defense housing with the proviso that no part of the appropriation shall be used for the construction of any project unless funds are available for its completion. The Act also provided an additional $50,000 to the Federal Security Agency for salaries and expenses, defense community facilities and services, to be derived by transfer from the appropriation "Defense Community Facilities and Services", with the proviso that none of the funds made available under this head shall be obligated after December 31, 1952, except for liquidation of the program.

The First Independent Offices Appropriation Act, 1954, Public Law 176, 83d Congress, approved July 31, 1953, 67 Stat. 298, 307, reduced previous appropriations for defense housing by $17,500,000 with the proviso that the amount rescinded might be reduced by an amount determined by the Housing and Home Finance Administrator to be required as a reserve for overruns and contingencies in connection with projects theretofore assigned for construction pursuant to the Defense Housing Act. The First Independent Offices Appropriation Act, 1954, also provided that during the current fiscal year not to exceed $112,500 of the appropriations granted for defense community facilities and services in the Second and Third Supplemental Appropriation Acts, 1952, shall be available for administrative expenses in connection with the construction of facilities under such appropriations.

The Independent Offices Appropriation Act, 1955, Public Law 428, 83d Congress, approved June 24, 1954, 68 Stat. 272, 284, rescinded appropriations for defense housing in the amount of $4,500,000 with the proviso that the amount rescinded might be reduced by an amount determined by the Administrator to be required as a reserve for overruns and contingencies in connection with projects theretofore assigned for construction pursuant to Public Law 139, 82d Congress.

See also 2-2.4, Revolving Fund for Liquidating Programs.

1 See Executive Order 10296, 9-2-2.

with respect to assistance for the construction, or the construction of, any community facilities, shall be administered in coordination with other officers, departments, or agencies having functions or activities related thereto.

SEC. 315. As used in this title, the following terms shall have the meanings respectively ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

(a) "State" shall mean the several States, the District of Columbia, and Territories, and possessions of the United States.

(b) "Federal agency" shall mean any executive department or officer (including the President), independent establishment, commission, board, bureau, division, or office in the executive branch of the United States Government, or other agency of the United States, including corporations in which the United States owns all or a majority of the stock, directly or indirectly.

(c) "Community facility" shall mean waterworks, sewers, sewage, garbage and refuse disposal facilities, police and fire protection facilities, public sanitary facilities, works for treatment and purification of water, libraries, hospitals and other places for the care of the sick, recreational facilities, streets and roads, and day-care centers.

(d) "Community service" shall mean the maintenance and operation of facilities for health, refuse disposal, sewage treatment, recreation, water purification, and day-care centers, and the provision of fire-protection.

(e) "National defense" shall mean (1) the operations and activities of the armed forces, the Atomic Energy Commission, or any other Government department or agency directly or indirectly and substantially concerned with the national defense, (2) other operations and activities directly or indirectly and substantially concerned with the operations and activities of the armed forces and the Atomic Energy Commission, (3) activities in connection with the Mutual Defense Assistance Act of 1949, as amended, or (4) [1] the provision of community facilities or services necessary to the health, safety, or public welfare of the inhabitants of a town or community which has been relocated as a result of the acquisition (through eminent domain or purchase in lieu thereof) of its former site by or on behalf of the Atomic Energy Commission for national-defense activities.

(f) "Nonprofit agency" shall mean any agency no part of the net earnings of which inures to the benefit of any private stockholder or individual.

(g) "Project" shall mean housing or community facilities acquired, developed, or constructed with financial assistance pursuant to this title.

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[1] Clause (4) was added by section 18 of the Housing Amendments of 1953, Public Law 94, 83d Congress, approved June 30, 1953, 67 Stat. 121, 126.

(h) "Veteran" shall mean a person, or the family of a person, who has served in the active military or naval service of the United States at any time (i) on or after September 16, 1940, and prior to July 26, 1947, (ii) on or after April 6, 1917, and prior to November 11, 1918, or (iii) on or after June 27, 1950, and prior to such date thereafter as shall be determined by the President, and who shall have been discharged or released therefrom under conditions other than dishonorable or who shall be still serving therein. The term shall also include the family of a person who served in the active military or naval service of the United States within any such period and who shall have died of causes determined by the Veterans' Administration to have been service-connected.

SEC. 316. Notwithstanding any other provision of this title, all functions, powers, and duties under this title and section 103 with respect to health, refuse disposal, sewage treatment, and water purification shall be exercised by and vested in the Surgeon General of the Public Health Service:[1] *Provided,* That the Surgeon General shall have power to delegate to any other Federal agency functions, powers, and duties with respect to construction.

1 See 9-2-2, Executive Order 10296, paragraphs 9 and 11.

9. War and Emergency Housing

2. Defense Housing and Community Facilities and Services

## 1.3. TITLE IV OF THE DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951

# TITLE IV—PROVISION OF SITES FOR NECESSARY DEVELOPMENT IN CONNECTION WITH ISOLATED DEFENSE INSTALLATIONS [REPEALED [1]]

[1] Title IV was repealed by section 19 of the Housing Amendments of 1953, Public Law 94, 83d Congress, approved June 30, 1953, 67 Stat. 121, 126.

9. War and Emergency Housing
2. Defense Housing and Community Facilities and Services

## 1.4. TITLE V OF THE DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951

### TITLE V—PREFABRICATED HOUSING

SEC. 501. * * * [See 6-3.1, Section 102]
SEC. 502. * * * [See 6-3.1, Sections 102a, 102b, and 102c]

9. War and Emergency Housing
2. Defense Housing and Community Facilities and Services

## 1.5. TITLE VI OF THE DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951

### TITLE VI—AMENDMENTS TO EXISTING LAWS AND GENERAL PROVISIONS

SEC. 601. * * * [See 4-1.6, Sections 803 and 810]
SEC. 602. * * * [See 20-1.1, Sections 605 and 606]
SEC. 603. * * * [See 9-1.1, Sections 604, 605, 611, and 612]
SEC. 604. * * * [See 4-1.2, Sections 204 and 207]
SEC. 605. * * * [See 4-1.2, Section 207]
SEC. 606. * * * [See 4-1.2, Section 214]
SEC. 607. * * * [See 4-1.2, Sections 216 and 217]
SEC. 608.[1](a) * * REPEALED
(b) * *
SEC. 609. * * * [See 4-1.5, Sections 702 and 707]
SEC. 610. * * * [See 4-1.5, Section 713]

SEC. 611. Upon a finding by the Housing and Home Finance Administrator that the acquisition of any real property for a defense installation or industry has resulted, or will result, in the displacement of persons from their homes on such property, he may (notwithstanding any other provision of this or any other law) issue regulations pursuant to which such persons may be permitted to occupy or purchase housing for which credit restrictions established pursuant to the Defense Production Act of 1950[2] have been relaxed or housing which has been provided or assisted under the provisions of this Act (including amendments to other Acts provided herein), subject to any conditions or requirements that he determines necessary for purposes of national defense.

SEC. 612. * * * [See 4-1.5, Section 713]
SEC. 613.(a) * * [See 4-2, Section 504]

* * *

SEC. 615. * * * [See 2-1.1]

SEC. 616. During the period from the date of the approval of this Act to and including the expiration date specified in section 104 hereof, no project shall be initiated, and the income limitations contained in the United States Housing Act of 1937, as amended, shall not be

[1] Subsection (a) repealed by sec. 206 of the Housing Act of 1954, Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 590, 622.
Subsection (b) amended the previous provisions of the National Housing Act to authorize advance commitments by FNMA to purchase defense housing mortgages. The Housing Act of 1954 amended these provisions so that advance commitments for defense housing mortgages can be made by FNMA only if so authorized by the President of the United States as provided in section 305 of the National Housing Act, 5-1.
[2] See 20-1.1.

waived or suspended, pursuant to the authorization therefor in title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940.[1]

SEC. 617. Insofar as the provisions of any other law are inconsistent with the provisions of this Act, the provisions of this Act shall be controlling.

SEC. 618. Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidence of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances, but shall be confined in its operation to the provisions of this Act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

Approved September 1, 1951.

[1] See 9-1-3, for the provisions of Title II of Public Law 671, 76th Congress.

9. War and Emergency Housing

2. Defense Housing and Community Facilities and Services

# 1.6 EXTENSION OF AUTHORITY TO AID HOSPITAL CONSTRUCTION

[Excerpt from the Housing Act of 1956; Public Law 1020, 84th Congress, 70 Stat. 1091, 1114]

* * *

HOSPITAL CONSTRUCTION

SEC. 605. (a) Notwithstanding the provisions of section 104 [1] of the Defense Housing and Community Facilities and Services Act of 1951, the authority under section 304 [2] of such Act to make loans or grants, or other payments to public and nonprofit agencies for the construction of hospitals is hereby revived and extended with respect to public and nonprofit agencies which have, prior to June 30, 1953, applied under such section 304 for such loans or grants, or other payments for the construction of hospitals, and have been denied such loans or grants, or other payments solely because of the unavailability of funds for such purpose.

(b) The authority granted by this section shall expire June 30, 1962.[3]

(c) There is hereby authorized to be appropriated the sum of $5,000,000 for the purposes of this section for each of the fiscal years ending June 30, 1957, and June 30, 1958, and [4] the sum of $7,500,000 for the purposes of this section for each of the fiscal years ending June 30, 1960, June 30, 1961, and [5] June 30, 1962.

* * *

Approved August 7, 1956

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[1] 9-2-1.1.

[2] 9-2-1.2.

[3] Sec. 906(a), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 191, substituted "1962" for "1960."

[4] Sec. 804(b), Housing Act of 1959, Public Law 86-372, approved September 23, 1959, 73 Stat. 654, 687, authorized an appropriation of $7,500,000 for each of the fiscal years ending June 30, 1960, and June 30, 1961.

[5] Sec. 906(b), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 191, authorized an appropriation of $7,500,000 for the fiscal year ending June 30, 1962.

9. War and Emergency Housing

2. Defense Housing and Community Facilities and Services

## 2. PERFORMANCE OF DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES FUNCTIONS

[Executive Order 10296; 16 Fed. Reg. 10103-6 (1951)]

Providing for the performance of certain defense housing and community facilities and services functions.

By virtue of the authority vested in me by the Defense Housing and Community Facilities and Services Act of 1951 (Public Law 139, 82nd Congress) and the act of August 8, 1950, ch. 646, 64 Stat. 419, and as President of the United States, and having found, with respect to paragraph 4 hereof and in accordance with section 314 of the said Defense Housing and Community Facilities and Services Act of 1951, that the Federal Security Administrator [1] is performing, or has facilities adapted to the performance of, functions similar or directly related to those transferred to him by paragraph 4 of this order, and that the transfers therein ordered will assist the furtherance of national-defense activities, it is ordered as follows:

1. The Director of the Office of Emergency Planning [2] is hereby designated and empowered to perform, without the approval, ratification, or other action of the President, the function vested in the President by section 101 of the said Defense Housing and Community Facilities and Services Act of 1951 of determining critical

[1] The functions of the Federal Security Administrator were transferred to the Secretary of the Department of Health, Education, and Welfare by Reorganization Plan No. 1 of 1953, effective April 11, 1953, 18 Fed. Reg. 2053, which created the Department.

[2] Reorganization Plan No. 3 of 1953, effective June 12, 1953, 18 Fed. Reg. 3375 (1953) established a new Office of Defense Mobilization and transferred to that agency all functions then vested by any statute in the Director of Defense Mobilization or in the Office of Defense Mobilization provided for in Executive Order No. 10193, 20-3.2. Executive Order 10461, issued June 17, 1953, 18 Fed. Reg. 3513 (1953), provided that the new Office of Defense Mobilization was made in all respects the successor of the Office of Defense Mobilization provided for in Executive Order No. 10193, and provided further that except in instances wherein the provisions concerned are for any reason inapplicable as of the effective date of Reorganization Plan No. 3 of 1953 (June 12, 1953) each reference in any prior Executive order to the Office of Defense Mobilization should thereafter be deemed to be a reference to the Office of Defense Mobilization established by Reorganization Plan No. 3 of 1953.

Reorganization Plan No. 1 of 1958, effective July 1, 1958, 23 Fed. Reg. 4991, transferred to the President of the United States all functions vested by law in the Director of Defense Mobilization, and consolidated the Office of Defense Mobilization into the Office of Defense and Civilian Mobilization. By Executive Order 10773, effective July 1, 1958, 23 Fed. Reg. 5061, the President delegated to the Director of the Office of Defense and Civilian Mobilization all functions transferred to the President by Reorganization Plan No. 1 of 1958, and amended references to the Office of Defense Mobilization in prior Executive Orders to refer to the Office of Defense and Civilian Mobilization. Public Law 85-763, approved August 26, 1958, 72 Stat. 861, changed the name of the Office of Defense and Civilian Mobilization to the Office of Civil and Defense Mobilization. Executive Order 10782, effective September 6, 1958, 23 Fed. Reg. 6971, amended Executive Order 10773 by changing references in that Order to the Office of Defense and Civilian Mobilization to the Office of Civil and Defense Mobilization.

Executive Order 11051 of September 27, 1962, 27 Fed. Reg. 9683, provided that each reference in Executive Order 10296, and other Executive orders, to the Office of Civil and Defense Mobilization or to the Director of the Office of Civil and Defense Mobilization is amended to refer to the Office of Emergency Planning and the Director of the Office of Emergency Planning, respectively. Executive Order 11051 also revoked Executive Order 10461, Executive Order 10773, and Executive Order 10782 (referred to in the preceding paragraphs of this footnote) to the extent that such orders have become inapplicable. See 20-3.1.

defense-housing areas and of making the findings relative to such determinations required by section 101(b) of the said Act.[1]

2. [2] The Director of the Office of Emergency Planning is hereby designated and empowered to perform, without the approval, ratification, or other action of the President, the functions vested in the President by section 104 of the Defense Housing and Community Facilities and Services Act of 1951, as amended (which Act, as amended, is hereinafter referred to as the Act), relative to the designation of periods during which, and relative to the designation of projects for which:

(1) Mortgages may be insured under Title IX of the National Housing Act, as amended.

(2) Agreements may be made to extend assistance for the provision of community facilities or services under Title III of the Act.

(3) The construction of temporary housing or community facilities may be begun by the United States under Title III of the Act.

3. The Housing and Home Finance Administrator is hereby designated and empowered to perform, without the approval, ratification, or other action of the President, the function vested in the President by section 102(b) of the Act, relative to the suspension and relaxation of residential credit restrictions[3] under the Defense Production Act of 1950, as amended.

4. Except as provided in paragraph 5 hereof, the functions authorized by Title III of the Act to be performed with respect to or in furtherance of the provision, maintenance, or operation of community facilities for, and with respect to or in furtherance of the provision of community services for, recreation and child day-care centers are hereby transferred to the Federal Security Administrator and shall

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[1] Sec. 203 of the Defense Production Act Amendments of 1952, Public Law 429, 82d Congress, approved June 30, 1952, 66 Stat. 296, 307, provides as follows: "The Director of Defense Mobilization is hereby authorized to appoint a Defense Areas Advisory Committee to advise him in connection with the exercise of any function or authority vested in him by section 204(1) of the Housing and Rent Act of 1947, as amended, or section 101 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, or by delegation thereunder, with respect to determining any area to be a critical defense housing area. Any committee so appointed shall consist, in addition to a chairman, of representatives of the Department of Defense, the Housing and Home Finance Agency, and the Office of Rent Stabilization. Any Federal agency shall, to the fullest practicable extent, furnish such information in its possession to the Defense Areas Advisory Committee as such Committee may request from time to time relevant to its operations." Section 10 of the Housing and Rent Act of 1953, Public Law 23, 83d Congress, approved April 30, 1953, 67 Stat. 23, 25, amended section 203 to remove the Office of Rent Stabilization from the Committee.

Procedures for determination of critical defense housing areas and for authorization of defense housing and community facilities assistance by designation for particular periods or projects were set forth in Defense Mobilization Order No. 20, effective June 10, 1953, 18 Fed. Reg. 3327. The Order was redesignated as Defense Mobilization Order I-3 October 21, 1953, 18 Fed. Reg. 6736, amended February 11, 1955, 20 Fed. Reg. 1054, and revoked June 30, 1958, 23 Fed. Reg. 5121.

[2] Section 2 amended to read as set forth in the text by Executive Order 10593, dated January 27, 1955, 20 Fed. Reg. 599, except that the reference to the Director of the Office of Emergency Planning was substituted for the reference to the Director of the Office of Civil and Defense Mobilization by Executive Order 11051 of September 27, 1962, 27 Fed. Reg. 9683. Prior to amendment section 2 delegated to the Director of Defense Mobilization certain authority vested in the President by sections 401 and 402 of the Defense Housing and Community Facilities and Services Act of 1951. Title IV of that Act, containing these sections, was repealed by sec. 19 of the Housing Admendments of 1953, Public Law 94, 83d Congress, approved June 30, 1953, 67 Stat. 121, 126.

[3] See 20-1.

be performed by him or by such officers and units of the Federal Security Agency as he may determine.

5. There are hereby excluded from the transfers effected by paragraph 4 hereof (a) functions with respect to site selection and land acquisition for, and the construction (including the letting of construction contracts, the preparation and approval of plans and specifications, and the supervision of construction work and of expenditures therefor) of, projects approved by the Federal Security Administrator, whether such construction is performed on behalf of, or is aided by, the Federal Government, (b) the servicing of loans for the construction of projects so approved, and (c) the functions under the second and third provisos of section 304 of the Act and those under sections 103(a) and 103(b) of the Act: *Provided,* That (1) the Federal Security Administrator or his delegate shall determine the general layout, size, and special design features appropriate to the particular type of facility, and (2) that final plans and specifications shall conform to such determinations.

6. In the performance of functions with respect to roads and highways under the Act, the Housing and Home Finance Administrator shall from time to time consult with the Secretary of Commerce or his representative as to the relationship of road and highway projects under the said Act to road and highway programs under the jurisdiction of the said Secretary.

7. In the performance of functions under Title III of the Act in Territories there shall be consultation with the Secretary of the Interior or his representative as to the relationship of proposed facilities and services in Territories to Territorial programs of the Department of the Interior.

8. The Housing and Home Finance Administrator, in connection with the performance of the pertinent functions vested in him by Title III of the Act, shall obtain the approval of the Surgeon General of the Public Health Service or his representative with respect to the public health aspects of sources of water supply developed, utilized, or aided by the said Administrator, and shall consult with the Surgeon General or his representative with respect to the public health aspects of water distribution systems and sewerage systems constructed or aided by the Administrator.

9. Subject to the consent of the Housing and Home Finance Administrator, the Surgeon General of the Public Health Service shall utilize the facilities and services of the Housing and Home Finance Agency for the performance of the following aspects of the functions conferred upon him by section 316 of the Act: (a) the construction by the Federal Government of projects approved by the Surgeon General (including the letting of construction contracts, the preparation or review of plans and specifications, and the supervision of construction work and expenditures therefor), (b) land acquisition for projects to be so constructed, and (c) the obtaining of information required for the purpose

of, and the furnishing of recommendations with respect to, (i) the findings provided for in sections 103(a) and 103(b) of the Act, and (ii) the actions provided for in the second and third provisos of section 304 of the Act. The Surgeon General shall pay the Housing and Home Finance Agency for such utilization, either in advance or otherwise, out of funds available to him for the performance of such functions.

10. Subject to the consent of the Federal Security Administrator,[1] the Housing and Home Finance Administrator shall utilize the facilities and services of the Federal Security Agency [2] in connection with the providing of library facilities under Title III of the Act in such manner that the division of work with respect to library facilities as between the Housing and Home Finance Administrator and the Federal Security Administrator [1] will be the same as that with respect to recreation and child day-care center facilities as indicated in paragraphs 4 and 5 of this order. The Housing and Home Finance Administrator shall pay the Federal Security Administrator [1] for such utilization, either in advance or otherwise, out of funds available to the Housing and Home Finance Administrator for the performance of the functions involved.

11. Paragraphs 9 and 10 shall not be construed as a limitation upon the Surgeon General or the Housing and Home Finance Administrator, as the case may be, with respect to utilization or delegation other than that referred to in such paragraphs and not inconsistent with the provisions of such paragraphs, respectively, or as divesting either the Surgeon General or the Administrator of any function conferred upon him by the Act.

12. As used in this order the term "function" embraces duties, powers, responsibilities, authority, or discretion, and the term "perform" may be construed to mean "exercise".

HARRY S. TRUMAN

THE WHITE HOUSE
*October 2, 1951.*

[1] The functions of the Federal Security Administrator were transferred to the Secretary of the Department of Health, Education, and Welfare by Reorganization Plan No. 1 of 1953, effective April 11, 1953, 18 Fed. Reg. 2053.

[2] The functions of the Federal Security Agency were transferred to the Secretary of the Department of Health, Education, and Welfare by Reorganization Plan No. 1 of 1953, effective April 11, 1953, 18 Fed. Reg. 2053.

9. War and Emergency Housing

2. Defense Housing and Community Facilities and Services

## 3. DETERMINATION OF CRITICAL DEFENSE HOUSING AREAS

[Defense Mobilization Order 1-3, Revised [1]; 20 Fed. Reg. 1054]

DMO I-3—ESTABLISHING PROCEDURES FOR DETERMINATION OF CRITICAL DEFENSE HOUSING AREAS AND FOR AUTHORIZATION OF DEFENSE HOUSING AND COMMUNITY FACILITIES ASSISTANCE BY DESIGNATION OF PARTICULAR PERIODS OR PROJECTS

By virtue of the authority vested in me by Reorganization Plan No. 3 of 1953, effective June 12, 1953, Executive Order 10480 of August 14, 1953, and Executive Order 10296 of October 2, 1951, as amended by Executive Orders 10433 of February 4, 1953, and 10593 of January 27, 1955, and pursuant to the Defense Housing and Community Facilities and Services Act of 1951, as amended, and the Defense Production Act Amendments of 1952, as amended, it is hereby ordered as follows:

1. *Defense Areas Advisory Committee.* a. There is established in the Office of Defense Mobilization a Defense Areas Advisory Committee which shall consist of representatives of the Department of Defense and the Housing and Home Finance Agency, and a Chairman designated by the Director of the Office of Defense Mobilization.

b. The Defense Areas Advisory Committee shall advise the Director of the Office of Defense Mobilization with respect to:

(1) The determination of critical defense housing areas pursuant to section 101 of the Defense Housing and Community Facilities and Services Act of 1951, as amended (hereinafter referred to as the act); and

(2) The designation, pursuant to section 104 of the act, of periods during which, or projects for which, (i) mortgages on defense housing may be insured under title IX of the National Housing Act, as amended, or (ii) pursuant to title III of the act, agreements may be made to extend assistance for the provision of defense community facilities or services, or the construction of temporary housing or community facilities may be begun by the United States.

c. Any Federal agency shall, to the fullest practicable extent, furnish such information in its possession to the Defense Areas Advisory Committee as such Committee may request from time to time relevant to its operations.

2. *Procedure.* (a) It shall be the responsibility of the Housing and Home Finance Administrator to make recommendations to the Defense Areas Advisory Committee for the determination of critical defense housing areas and for the designation of periods or projects described in section 1-b of this order. In carrying out this responsibility the Housing and Home Finance Administrator, for each area under consideration, shall:

[1] Originally published as Defense Mobilization Order No. 20, effective June 10, 1953, 18 Fed. Reg. 3327. The Order was redesignated as Defense Mobilization Order I-3 October 21, 1953, 18 Fed. Reg. 6736, and amended to read as set forth in the text effective February 11, 1955, 20 Fed. Reg. 1054.

i. Secure from the appropriate defense agencies information and recommendations necessary to determine whether the area does or does not contain defense-connected activities.

ii. Secure from the Bureau of Employment Security of the Department of Labor, or from the Department of Defense, or both, information and judgments necessary to a determination on in-migration of defense workers or military personnel.

iii. Make the necessary studies of the present and prospective housing supply in the area and of the need for community facilities and services resulting from defense activities in the area.

iv. Assemble and analyze the information provided by the several agencies and determine, in the light of all the facts and their interrelations, whether or not the conditions contained in section 101 of the act for determination of a critical defense housing area have been met, if such area has not already been determined to be a critical defense housing area, or whether the designation under section 104 of the act of the proposed period, project, or projects is required in connection with national defense activities.

v. Prepare a written summary of findings supporting each recommendation for the determination of a critical defense housing area (pursuant to section 101 of the act) and/or the designation of a particular period or project (pursuant to section 104 of the act).

(b) It shall be the responsibility of the Office of Defense Mobilization, the Department of Defense, and other defense agencies to provide the Housing and Home Finance Administrator, upon his request, with information and recommendations regarding the defense connection of installations or activities in the area under consideration.

(c) It shall be the responsibility of the Bureau of Employment Security of the Department of Labor to provide the Housing and Home Finance Administrator, upon his request, with information and judgments regarding the in-migration of industrial defense workers for each area under consideration.

(d) It shall be the responsibility of the Department of Defense to provide the Housing and Home Finance Administrator, upon his request, with information and judgments regarding the in-migration of military personnel for each area under consideration. The Department of Defense shall also provide the Housing and Home Finance Administrator with such information as it possesses concerning housing conditions in and around military posts or installations.

(e) It shall be the responsibility of the Department of Health, Education, and Welfare to make surveys of and to provide the Housing and Home Finance Administrator with information and judgments regarding the need for community facilities under its jurisdiction in connection with areas under consideration and to initiate consideration of areas where a shortage of such community facilities is the principal problem.

3. This order supersedes DMO-1-3, dated June 10, 1953, and shall take effect on February 11, 1955.

OFFICE OF DEFENSE MOBILIZATION
ARTHUR S. FLEMMING, *Director.*

11/1/55

9. War and Emergency Housing

2. Defense Housing and Community Facilities and Services

# 4. DISPOSITION OF DEFENSE HOUSING

[Excerpts from the Housing Act of 1956; Public Law 1020, 84th Congress, 70 Stat. 1091, 1105]

* * *

DISPOSITION OF DEFENSE HOUSING [1]

SEC. 406. (a) Notwithstanding the provisions of any other law, there are hereby transferred to the jurisdiction of the Department of Defense, effective on the first day of the month following enactment of the Housing Act of 1956, all right, title, and interest, including contractual rights and obligations and any reversionary interest, held by the Federal Government in and with respect to all real and personal property comprising the following housing projects:

| Project Numbered: | Location |
|---|---|
| ALA–1D1 | Ozark, Alabama. |
| ALA–1D2 | Ozark, Alabama. |
| ALA–2D1 | Foley, Alabama. |
| ALA–2D2 | Foley, Alabama. |
| ARIZ–1D1 | Yuma, Arizona. |
| ARIZ–1D2 | Yuma, Arizona. |
| ARIZ–3D1 | Flagstaff, Arizona. |
| CAL–3D1 | Oceanside, California. |
| CAL–3D2 | Oceanside, California. |
| CAL–4D1 | Miramar, California. |
| CAL–6D1 | San Ysidro, California. |
| CAL–7D2 | Barstow, California. |
| CAL–9D1 | Barstow, California. |
| CAL–9D2 | Barstow, California. |
| CAL–10D1 | Twentynine Palms, California. |
| COLO–1D1 | Colorado Springs, Colorado. |
| FLA–2D1 | Green Cove Springs, Florida. |
| FLA–4D1 | Milton, Florida. |
| FLA–8082 | Pensacola, Florida. |
| FLA–8084 | Pensacola, Florida. |
| GA–1D1 | Hinesville, Georgia. |
| KAN–3D1 | Hutchinson, Kansas. |
| ME–4D1 | Brunswick, Maine. |
| MD–1D1 | Bainbridge, Maryland. |
| MO–1D1 | Waynesville, Missouri. |
| MO–2D1 | Waynesville, Missouri. |
| MO–4D1 | Waynesville, Missouri. |
| MO–5D1 | Waynesville, Missouri. |
| NEV–2D1 | Fallon, Nevada. |
| NC–1D1 | Camp Lejeune, North Carolina. |
| NC–3D1 | Camp Lejeune, North Carolina. |
| NC–4D1 | Elizabeth City, North Carolina. |
| RI–1D1 | Portsmouth, Rhode Island. |
| RI–2D1 | Portsmouth, Rhode Island. |
| TEX–2D1 | Kingsville, Texas. |
| TEX–3D1 | Hondo, Texas. |
| TEX–5D1 | Beeville, Texas. |
| TEX–5D2 | Beeville, Texas. |

[1] See also Lanham Act, 9-1-1.1.

| Project Numbered: | Location |
|---|---|
| TEX–6D1 | Mission, Texas. |
| VA–6D1 | Quantico, Virginia. |
| VA–10D1 | Yorktown, Virginia. |
| VA–12D1 | Yorktown, Virginia. |
| VA–13D1 | Williamsburg, Virginia. |

The provisions of title III [1] of the Defense Housing and Community Facilities and Services Act of 1951, as amended, and of the Act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes",[2] approved October 14, 1940, as amended, shall not apply to any property transferred hereunder and, except as otherwise provided herein, the laws relating to similar property of the Department of Defense shall be applicable to the property transferred. The Department of Defense is authorized to utilize any revenues derived from the property transferred hereunder, after its transfer, for the maintenance, operation, improvement, and liquidation of such property and for administrative expenses in connection therewith. There is hereby transferred to the Department of the Navy out of the fund entitled "Office of the Administrator revolving fund (liquidating programs)"[3] established in the Office of the Administrator, Housing and Home Finance Agency, under title II of the Independent Offices Appropriation Act, 1955 (68 Stat. 272, 295), as amended, $375,000 to be available until expended for repair and rehabilitation of such property by the Navy.

(b) Notwithstanding the provisions of this or any other law, any housing constructed or acquired under the provisions of title III of the Defense Housing and Community Facilities and Services Act of 1951,[4] as amended, which is not transferred under the provisions of subsection (a) hereof shall, as expeditiously as possible, but not later than June 30, 1957, be disposed of on a competitive bid basis to the highest responsible bidder upon such terms and after such public advertisement as the Housing and Home Finance Administrator may deem in the public interest; except that the Administrator may reject any bid which he deems less than the fair market value of the property and may thereafter dispose of the property by negotiation: *Provided*, That the third proviso in section 302 (b) of such Act shall be applicable to housing disposed of under this subsection, except that project numbered IDA-2D1 at Cobalt, Idaho, shall be sold only for use on the site.

* * *

Approved August 7, 1956

[1] See 9-2-1.2.
[2] See 9-1-1.
[3] See 2-2.4.
[4] See 9-2-1.2.

10. Community Facilities

1. Advances for Reserve of Planned Public Works

# 1. FIRST PROGRAM—EXCERPT FROM WAR MOBILIZATION AND RECONVERSION ACT OF 1944

[Public Law 458, 78th Congress; 58 Stat. 785, 791; 50 App. U.S.C. 1671 (1946 ed.)]

* * *

## TITLE V—PUBLIC WORKS

SEC. 501. (a) In order to encourage States and other non-Federal public agencies to make advance provision for the construction of public works (not including housing), the Federal Works Administrator [1] is hereby authorized to make, from funds appropriated for that purpose,[2] loans or advances to the States and their agencies and political

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[1] All functions of the Federal Works Agency and the Federal Works Administrator were transferred to the Administrator of General Services effective July 1, 1949, pursuant to the "Federal Property and Administrative Services Act of 1949", Public Law 152, 81st Congress, approved June 30, 1949, 63 Stat. 373. See also 2-1.4, Reorganization Plan No. 17 of 1950 for transfer of certain functions of the Administrator of General Services to the Housing and Home Finance Administrator.

Housing Administrator's Reorganization Order No. 1, 2-1.3, provides that management of liquidating activities with respect to advances for planning public works under title V of the War Mobilization and Reconversion Act of 1944, as amended, shall be administered by the Community Facilities Commissioner under the supervision and direction of the Administrator. See also Revolving Fund for Liquidating Programs, 2-2.4.

[2] Funds for carrying out the provisions of title V of the War Mobilization and Reconversion Act of 1944 were made available as follows:

Independent Offices Appropriation Act, 1946, Public Law 49, 79th Congress, approved May 3, 1945, 59 Stat. 106, 112—$17,500,000.

First Deficiency Appropriation Act, 1946, Public Law 269, 79th Congress, approved December 28, 1945, 59 Stat. 632, 638—$12,500,000. Public Law 269 also provided that no loans should be made or participated in by any Federal agency for the construction of any public works, plans for which had been wholly or partly financed out of the appropriation contained in the law, except in pursuance of a specific authorization.

Third Urgent Deficiency Appropriation Act, 1946, Public Law 419, 79th Congress, approved June 21, 1946, 60 Stat. 262, 264—$35,000,000.

Independent Offices Appropriation Act, 1948, Public Law 269, 80th Congress, approved July 30, 1947, 61 Stat. 585, 597, provided that not to exceed $895,000 of the unobligated balance on June 30, 1947, of funds made available for public works advance planning should be available during the fiscal year 1948 for administrative expenses incident to the liquidation of the activity.

Independent Offices Appropriation Act, 1949, Public Law 491, 80th Congress, approved April 20, 1948, 62 Stat. 176, 186, 194, provided that not to exceed $675,000 of the unobligated balances on June 30, 1947, of funds made available for public works advance planning should be available during fiscal 1949 for administrative expenses of liquidation of the activity, and provided further that amounts made available to the Federal Works Agency from appropriations for public works advance planning should be reduced by $1,036,000.

Public Law 135, 81st Congress, approved June 28, 1949, 63 Stat. 279, removed the provision in Public Law 269, 79th Congress, supra, that no loans should be made or participated in by any Federal agency for the construction of any public works, the plans for which had been wholly or partly financed out of that appropriation.

Independent Offices Appropriation Act, 1950, Public Law 266, 81st Congress, approved August 24, 1949, 63 Stat. 631, provided that the unexpended balances on June 30, 1949, of funds made available for public works advance planning were continued available for expenditure until July 30, 1950; that not to exceed $350,000 of the unobligated balance on June 30, 1949, of funds made available for public works advance planning under title V of the War Mobilization and Reconversion Act of 1944 should be available during the current fiscal year for administrative expenses incident to the liquidation of the activity; and provided further that amounts made available to the Federal Works Agency from appropriations for public works advance planning should be reduced by $4,164,000.

General Appropriation Act, 1951, Public Law 759, 81st Congress, approved September 6, 1950, provided that not to exceed $4,350,000 of the unexpended balances on June 30, 1950, of funds made available for public works advance planning under title V were continued available for expenditure until June 30, 1951; that $1,324,000 of the unexpended balances should be returned to the Treasury; and that not to exceed $125,000 should be available for administrative expenses of liquidation of the activity.

See also 2-2.4, Revolving Fund for Liquidating Programs.

subdivisions (hereinafter referred to as "public agencies") to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of such public works: *Provided,* That the making of loans or advances hereunder shall not in any way commit the Congress to appropriate funds to undertake any project so planned.

(b) Funds appropriated for the making of loans or advances hereunder shall be allotted by the Federal Works Administrator among the several States in the following proportion: 90 per centum in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, and 10 per centum according to his discretion: *Provided,* That the allotments to any State shall aggregate not less than one-half of 1 per centum of the total funds available for allotment hereunder: *Provided further,* That no loans or advances shall be made with respect to any individual project unless it conforms to an over-all State, local, or regional plan approved by competent State, local, or regional authority.

(c) Advances under this section to any public agency shall be repaid by such agency if and when the construction of the public works so planned is undertaken. Any sums so repaid shall be covered into the Treasury as miscellaneous receipts.

(d) The Federal Works Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section.

(e) As used in this section, the term "State" shall include the District of Columbia, Alaska, Hawaii, and Puerto Rico.

* * *

SEC. 603. The provisions of this Act shall terminate on June 30, 1947.

* * *

Approved October 3, 1944.

10. Community Facilities

1. Advances for Reserve of Planned Public Works

## 2. SECOND PROGRAM

[Public Law 352, 81st Congress; 63 Stat. 841; 40 U.S.C. 451 (1946 ed., Supp. III)]

An Act to provide for the advance planning of non-Federal public works.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That in order (a) to encourage States and other non-Federal public agencies to maintain a continuing and adequate reserve of fully planned public works (exclusive of housing) readily available for use so as to permit the immediate commencement of construction of such public works when the economic situation may make such action desirable, (b) to enable the United States, through reference to such reserve of fully planned public works as reflected by records maintained and reports issued by the Administrator of General Services[1] to adapt, insofar as practical and desirable, the planning and construction of needed Federal public works to the particular public works objectives of individual States and other non-Federal public agencies, and (c) thereby to attain maximum economy and efficiency in the planning and construction of local, State, and Federal public works, the Administrator of General Services is hereby authorized, during the period of two years immediately following the date upon which this Act becomes effective, to make loans or advances, from funds appropriated for that purpose, to the States, their agencies, and political subdivisions (hereinafter referred to as "public agencies") to aid in financing the cost of architectural, engineering, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other action preliminary to the construction of public works (exclusive of housing): *Provided,* That the making of loans or advances hereunder shall not in any way commit the Congress to appropriate funds to undertake the construction of any public works so planned.

SEC. 2. Funds appropriated for the making of loans or advances hereunder shall be allocated by the Administrator of General Services among the several States in the following proportion: Seventy-five per centum in the proportion which the population of each State bears to the total population of all the States, as shown by the latest available United States census, and 25 per centum in accordance with the needs of the States as determined by the said Administrator: *Provided,* That the allotments to any State shall aggregate not less than one-half of 1 per centum of the total funds available for allotment hereunder.

[1] Reorganization Plan No. 17 of 1950, 2-1.4, transferred the functions of the Administrator of General Services under Public Law 352 to the Housing and Home Finance Administrator.

Housing Administrator's Reorganization Order No. 1, 2-1.3, provides that liquidating activities with respect to advances for planning public works under the Act of October 13, 1949, shall be administered by the Community Facilities Commissioner under the supervision and direction of the Administrator. See also Revolving Fund for Liquidating Programs, 2-2.4.

SEC. 3. No loan or advance shall be made hereunder with respect to any individual project unless it conforms to an over-all State, local, or regional plan approved by a competent State, local, or regional authority.

SEC. 4. Loans or advances under this Act to any public agency shall be repaid without interest by such agency if and when the construction of the public works is undertaken or started. If the construction of the public works is not undertaken or started within three years after the full amount of the loan or advance therefor has been made and the Administrator of General Services shall determine (which determination shall be conclusive), after due notice and hearing, that the public agency has not acted in good faith either in obtaining the loan or advance or in failing to undertake or start the construction of such public works, the Administrator shall demand prompt payment of such loan or advance. In the event the loan or advance shall not have been repaid within said three-year period, such public agency shall not be eligible to apply for loans or advances on any other public works. All sums so repaid shall be covered into the Treasury as miscellaneous receipts.

SEC. 5. The Administrator of General Services is authorized to prescribe rules and regulations to carry out the purposes of this Act.

SEC. 6. The Administrator of General Services shall submit quarterly to the Congress a report of his administration of the Act, including all expenditures and repayments made thereunder. Such reports shall, when submitted, be printed as public documents. [Repealed.[1]]

SEC. 7. There are hereby authorized to be appropriated such amounts, not to exceed a total of $100,000,000, as may be necessary to effectuate the purposes of this Act. Amounts so appropriated shall remain available until expended.[2]

SEC. 8. As used in this Act, the term "State" shall include the District of Columbia, Alaska, Hawaii, and Puerto Rico.

Approved October 13, 1949.

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[1] Sec. 6 was repealed by sec. 802(b) of the Housing Act of 1954, Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 590, 642. See 2-2.1.

[2] Funds for carrying out the provisions of Public Law 352, 81st Congress, have been made available as follows:

Second Supplemental Appropriation Act, 1950, Public Law 430, 81st Congress, approved October 28, 1949, 63 Stat. 973—$8,000,000 and, in addition, a contract authorization of $17,000,000.

General Appropriation Act, 1951, Public Law 759, 81st Congress, approved September 6, 1950, 64 Stat. 595—$20,000,000 and, in addition, a contract authorization of $27,000,000.

Independent Offices Appropriation Act, 1952, Public Law 137, 82d Congress, approved August 31, 1951, 65 Stat. 268—$550,000. The Act also provided that $13,100,000 of the aggregate amount of authorizations to enter into contracts heretofore granted is rescinded. The $550,000 appropriation was increased by the net amount of $57,150 by The Third Supplemental Appropriation Act, 1952, Public Law 375, 82d Congress, 66 Stat. 101.

The Supplemental Appropriation Act, 1952, Public Law 253, 82d Congress, approved November 1, 1951, 65 Stat. 736, reduced the contract authorization for advance planning of non-Federal public works by $15,000,000.

The First Independent Offices Appropriation Act, 1954, Public Law 176, 83d Congress, approved July 31, 1953, 67 Stat. 298, 308, provided that $4,600,000 of funds theretofore appropriated for advance planning of non-Federal public works is rescinded, and that such amount should be covered into the Treasury promptly upon enactment of the Act.

See also 2-2.4, Revolving Fund for Liquidating Programs.

**10. Community Facilities**

**1. Advances for Reserve of Planned Public Works**

## 3. THIRD PROGRAM [1]

**[Sec. 702, Housing Act of 1954, Public Law 560, 83d Congress; 68 Stat. 590, 641]**

• • •

RESERVE OF PLANNED PUBLIC WORKS

SEC. 702.[2] (a) In order (1) to encourage municipalities and other public agencies and [3] Indian tribes to maintain at all times a current and adequate reserve of planned public works the construction of which can rapidly be commenced, particularly when the national or local economic situation makes such action desirable, and (2) to help attain maximum economy and efficiency in the planning and construction of public works, the Administrator [4] is hereby authorized to make advances to public agencies and [3] Indian tribes (notwithstanding the provisions of section 3648 of the Revised Statutes, as amended) to aid in financing the cost of engineering and architectural surveys, designs, plans, working drawings, specifications, or other action preliminary to and in preparation for the construction of public works, including,[5] in the case

[1] For first and second advance planning programs (in liquidation) see 10-1.1 and 10-1.2.

[2] Section 702 amended to read as set forth in the text by sec. 112 of the Housing Amendments of 1955, Public Law 345, 84th Congress, approved August 11, 1955, 69 Stat. 635, 641. Prior to this amendment section 702 read as follows:

"SEC. 702. (a) In order (1) to encourage municipalities and other public agencies to maintain a continuing and adequate reserve of planned public works the construction of which can rapidly be commenced whenever the economic situation may make such action desirable, and (2) to attain maximum economy and efficiency in the planning and construction of local, State, and Federal public works, the Administrator is hereby authorized, during the period of three years commencing on July 1, 1954, to make advances to public agencies from funds available under this section (notwithstanding the provisions of section 3648 of the Revised Statutes, as amended) to aid in financing the cost of engineering and architectural surveys, designs, plans, working drawings, specifications, or other action preliminary to and in preparation for the construction of public works: *Provided*, That the making of advances hereunder shall not in any way commit the Congress to appropriate funds to assist in financing the construction of any public works so planned.

(b) No advance shall be made hereunder with respect to any individual project unless it conforms to an overall State, local, or regional plan approved by a competent State, local, or regional authority, and unless the public agency formally contracts with the Federal Government to complete the plan preparation promptly and to repay such advance when due. Subsequent to approval and prior to disbursement of any Federal funds for the purpose of advance planning, the applicant shall establish a separate planning account into which all Federal and applicant funds estimated to be required for plan preparation shall be placed.

(c) Advances under this section to any public agency shall be repaid without interest by such agency when the construction of the public works is undertaken or started: *Provided*, That in the event repayment is not made promptly such unpaid sum shall bear interest at the rate of 4 per centum per annum from the date of the Government's demand for repayment to the date of payment thereof by the public agency. All sums so repaid shall be covered into the Treasury as miscellaneous receipts.

(d) The Administrator is authorized to prescribe rules and regulations to carry out the purposes of this section.

(e) There is hereby authorized to be appropriated not exceeding $10,000,000 to carry out the purposes of this section, and any amounts so appropriated shall remain available until expended: *Provided*, That not to exceed 1 per centum of the funds appropriated under this section may be used for the purpose of surveying the status and current volume of advanced public works planning among the several States and their subdivisions, such surveys to be carried out by the Administrator in cooperation with the Council of Economic Advisers in the Executive Office of the President. Not more than 5 per centum of the funds so appropriated shall be expended in any one State."

[3] Sec. 602(c)(1), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 799, added "and Indian tribes".

[4] Housing Administrator's Reorganization Order No. 1, 2-1.3, provides that the functions of the Administrator with respect to advances to public bodies for the planning of public works under section 702 of the Housing Act of 1954 shall be administered by the Community Facilities Commissioner under the supervision and direction of the Administrator.

[5] Sec. 602(e), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 799, added this clause.

of public works to be constructed in connection with the development of a medical center, a general plan for the development of such center: *Provided,* That the making of advances hereunder shall not in any way commit the Congress to appropriate funds to assist in financing the construction of any public works so planned: *And provided further,* That advances outstanding to public agencies and [1] Indian tribes in any one State shall at no time exceed 12½ [2] per centum of the aggregate then authorized to be appropriated to the revolving fund established pursuant to subsection (e) of this section.

(b) [3] No advance shall be made hereunder with respect to any individual project, including a regional or metropolitan or other area-wide project, unless (1) it is planned to be constructed within or over a reasonable period of time considering the nature of the project, (2) it conforms to an overall State, local, or regional plan approved by a competent State, local, or regional authority, and (3) the public agency or Indian tribe formally contracts with the Federal Government to complete the plan preparation promptly and to repay such advance or part thereof when due.[4]

(c) Advances under this section to any public agency or [5] Indian tribe shall be repaid without interest by such agency or [6] tribe when the construction of the public works is undertaken or started: *Provided,*[7] That in the event repayment is not made promptly such unpaid sum shall bear interest at the rate of 4 per centum per annum from the date of the Government's demand for repayment to the date of payment thereof by the public agency or [5] Indian tribe.

(d) The Administrator is authorized to prescribe rules and regulations to carry out the purpose of this section.

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[1] Sec. 602(c), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 799, added "and Indian tribes".

[2] Sec. 502(1), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 175, substituted "12½ per centum" for "10 per centum".

[3] Sec. 502(2), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 175, amended the first sentence of subsection (b) to read as set forth in the text except that sec. 602(c)(2), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 799, inserted "or Indian tribe" in clause (3) following the words "the public agency". Immediately prior to amendment by Sec. 502 this sentence read:

"(b) No advance shall be made hereunder with respect to any individual project unless it is planned to be constructed within a reasonable period of time, unless it conforms to an overall State, local, or regional plan approved by a competent State, local, or regional authority, and unless the public agency formally contracts with the Federal Government to complete the plan preparation promptly and to repay such advance or part thereof when due."

[4] Sec. 602(f), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 799, deleted the last sentence of subsection (b) which read:

"Subsequent to approval and prior to disbursement of any Federal funds for the purpose of advance planning the applicant shall establish a separate planning account into which all Federal and applicant funds estimated to be required for plan preparation shall be placed."

[5] Sec. 602(c)(3), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 799, inserted "or Indian tribe".

[6] Sec. 602(c)(3), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 799, inserted "or tribe".

[7] Sec. 602(c)(4), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 799 deleted at this point the proviso that read:

"That if the public agency undertakes to construct only a portion of a planned public work it shall repay such proportionate amount of the advances relating to the public work as the Administrator determines to be equitable: *And provided further,*".

(e)[1] In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise (1) all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts heretofore or hereafter received in connection with advances made under this section, and (2) all repayments and other receipts received after June 30, 1964, and all advances (and claims in connection with advances) outstanding as of such date, under title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791) and the Act of October 13, 1949 (63 Stat. 841-2). There are authorized to be appropriated[2] to such revolving fund, in addition to amounts authorized to be appropriated for the purposes of this section prior to the date of the enactment of the Housing Act of 1964,[3] such sums, not to exceed $20,000,000, as may be necessary to carry out the purposes of this section.

(f)[4] The Administrator is authorized to use during any fiscal year not to exceed $100,000[5] of the moneys in the revolving fund (established under subsection (e) ) to conduct surveys of the status and current volume of State and local public works planning and surveys of estimated requirements for State and local public works: *Provided,* That the Administrator, in conducting any such survey, may utilize or act through any Federal department or agency with its consent.

(g)[6] Notwithstanding any other provision of this section, no advance made under this section for the planning of any public works project shall be required to be repaid if construction of such project is initiated as a result of a grant-in-aid made from an allocation made by the President under the Public Works Acceleration Act.

(h)[7] (1) Notwithstanding any other provision of law, if a public agency or Indian tribe undertakes to construct only a portion of a public work planned with an advance under this section, under title V

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[1] Immediately prior to amendment by sec. 602(a), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 799, subsection (e) read as follows:
"(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts in connection with advances made under this section. There are hereby authorized to be appropriated to such revolving fund, in addition to the amount authorized by this section as originally enacted, the further amounts of $12,000,000 which may be made available to the revolving fund on or after July 1, 1956; $12,000,000 which may be made available to such fund on or after July 1, 1957; $14,000,000 which may be made available to such fund on or after July 1, 1958: $10,000,000 which may be made available to such fund on or after July 1, 1961; and such additional sums which may be made available from year to year thereafter as may be estimated to be necessary to maintain not to exceed a total of $58,000,000 in undisbursed balances in the revolving fund and in advances outstanding for plans in preparation or for completed plans with respect to projects which, in the determination of the Administrator, can be expected to be undertaken within a reasonable period of time."

[2] See 40-2-2 for appropriations made pursuant to this authorization.

[3] September 2, 1964.

[4] Sec. 801, Housing Act of 1959, Public Law 86-372, approved September 23, 1959, 73 Stat. 654, 686, added this subsection.

[5] Sec. 602(d), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 799, substituted "$100,000" for "$50,000".

[6] Sec. 6, Public Works Acceleration Act, Public Law 87-658, approved September 14, 1962, 76 Stat. 541, 544, added this subsection.

[7] Sec. 602(b), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 799, added this subsection.

of the War Mobilization and Reconversion Act of 1944, or under the Act of October 13, 1949, it shall repay only such proportionate amount of the advance relating to the public work as the Administrator determines to be equitable.

(2) The Administrator is authorized to terminate, upon such terms and conditions as he shall deem equitable, all or a portion of the liability for repayment of any advance made under this section, title V of the War Mobilization and Reconversion Act of 1944, or the Act of October 13, 1949. Whenever the Administrator determines that there is no reasonable likelihood that the public work, or a portion of the public work, planned with such advance will be constructed, he may terminate the agreement for the advance. Such determination shall be conclusive and shall be based on standards prescribed by regulations to be issued by the Administrator.

DEFINITIONS

SEC. 703. As used in this title, (1) the term "State" shall mean any State, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States; (2) the term "Administrator" shall mean the Housing and Home Finance Administrator; (3) the term "public works" shall include any public works other than housing; and (4) the term "public agency" or "public agencies" shall mean any State, as herein defined, or any public agency or political subdivision therein.

* * *

Approved August 2, 1954.

10. Community Facilities
2. Public Facility Loans

# 1. AUTHORIZATION—EXCERPT FROM RECONSTRUCTION FINANCE CORPORATION LIQUIDATION ACT, AS AMENDED [1]

[Public Law 163, 83d Congress, 67 Stat. 230, 232; 40 U.S.C. 459]

* * *

SEC. 108.[2] (a) In order to aid in financing projects under Federal, State, or municipal law, the Housing and Home Finance Administrator may purchase the securities and obligations of, or make loans to, (1) States, municipalities and political subdivisions of States, (2) public agencies and instrumentalities of one or more States, municipalities, and political subdivisions of States, and (3) public corporations, boards, and commissions: *Provided,* That no such purchase or loan shall be made for payment of ordinary governmental or nonproject operating expenses as distinguished from purchases and loans to aid in financing specific public projects: *Provided, however,* That the foregoing powers shall be subject to the following restrictions and limitations:

(A) No financial assistance shall be extended pursuant to this section unless the financial assistance applied for is not otherwise available on reasonable terms and all securities and obligations purchased and all loans made under this section shall be of such sound value or so secured as reasonably to assure retirement or repayment, and such loans may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations or otherwise;

(B) No securities or obligations shall be purchased, and no loans shall be made, including renewals or extensions thereof, which have maturity dates in excess of forty years.

(b) For the purposes of this section, notwithstanding any other provision of law, the Housing and Home Finance Administrator is authorized to obtain from a revolving fund to be established in the Treasury of the United States not to exceed a total of $50,000,000 outstanding at any one time. For this purpose there is hereby authorized to be appropriated [3] to such revolving fund in the Treasury the amount of $50,000,000. Advances from the revolving fund shall be

[1] See termination of authorization to make loans under this Act, 10-2.2. See new authorization in Housing Amendments of 1955, 10-2.3.

[2] Section 108 amended to read as set forth in the text by sec. 804 of the Housing Act of 1954, Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 590, 643. Prior to amendment by the Housing Act of 1954 the authority to make loans was in the President of the United States.

[3] The Supplemental Appropriation Act, 1955, Public Law 663, 83d Congress, approved August 26, 1954, 68 Stat. 800, 817, appropriated $2,000,000 for payments to the revolving fund with the proviso that the proviso in the Independent Offices Appropriation Act, 1955 (Public Law 428, 83d Congress) with respect to expenses of inspections and of providing representatives at project sites should apply to projects of facilities financed by loans from the revolving fund, and the limitation in that Act on such nonadministrative expenses was increased from $500,000 to $525,000.

See 10-2.4 for provisions in Independent Offices Appropriation Act, 1957 which canceled this authorization and rescinded the balance of the revolving fund.

made to the Housing and Home Finance Administrator upon his request, and such advances together with receipts under this section shall be available for all necessary expenses, including administrative expenses, under this section. The Housing and Home Finance Administrator shall pay into the Treasury as miscellaneous receipts, at the close of each fiscal year, interest on the amount of advances outstanding, at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding interest-bearing marketable public debt obligations of the United States of comparable maturities. As the Housing and Home Finance Administrator repays[1] principal sums advanced from the revolving fund pursuant to this section, such repayments shall be made to the revolving fund.

(c) In carrying out this section, the Housing and Home Finance Administrator shall have the powers granted to the Small Business Administration and the Administrator by section 205 of this Act.

(d) This section and all authority conferred thereunder shall terminate at the close of June 30, 1956,[2] except for the purposes of liquidation, which shall be completed not to exceed six months after such termination. The termination of this section shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment, or other obligation entered into pursuant to this section prior to the date of such termination, or the taking of any action necessary to preserve or protect the interests of the United States.

* * *

SEC. 205.[3] (a) The Administration shall have power to adopt, alter, and use a seal, which shall be judicially noticed. The Administrator is authorized, subject to the civil-service and classification laws, to select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this title; to define their authority and duties, require bonds of them, and fix the penalties thereof. The Administration, with the consent of any board, commission, independent establishment, or executive department of the Government, may avail itself on a reimbursable basis of the use of information, services, facilities, including any field service thereof, officers, and employees thereof, in carrying out the provisions of this title.

[1] See 10-2.4 for provisions in the Independent Offices Appropriation Act, 1957 which canceled the obligation of the Administrator to repay advances from the Treasury.
[2] Sec. 804(4) of the Housing Act of 1954, Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 560, 644, substituted "1956" for "1955".
[3] Codified as 15 U.S.C. 634.

(b) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator may—

(1) sue and be sued in any court of record of a State having general jurisdiction, or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy: *Provided,* That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Administrator or his property;

(2) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as the Administrator shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans granted under this title, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such loans until such time as such obligation may be referred to the Attorney General for suit or collection;

(3) deal with, complete, renovate, improve, modernize, insure, or rent, or sell for cash or credit upon such terms and conditions and for such consideration as the Administrator shall determine to be reasonable, any real property conveyed to or otherwise acquired by him in connection with the payment of loans granted under this title;

(4) pursue to final collection, by way of compromise or otherwise, all claims against third parties assigned to the Administrator in connection with loans made by him. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Administrator. Section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Administrator as a result of loans made under this title if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute in the name of the Administrator deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real property or any interest therein acquired by the Administrator pursuant to the provisions of this title may be exercised by the Administrator or by any officer or agent appointed by him without the execution of any express delegation of power or power of attorney. Nothing in this section shall be construed to prevent the Administrator from delegating such power by order or by power of attorney, in his discretion, to any officer or agent he may appoint;

(5) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed neces-

sary or appropriate to the conduct of the activities authorized in sections 207(a) or 207(b) of this title;

(6) make such rules and regulations as he deems necessary to carry out the authority vested in him by or pursuant to this title; and

(7) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise dealing with or realizing on loans made under the provisions of this title.

(c) To such extent as he finds necessary to carry out the provisions of this title, the Administrator is hereby authorized to procure the temporary (not in excess of six months) service of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil-service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709, Revised Statutes, as amended (41 U.S.C. 5).

* * *

Approved July 30, 1953.

10. Community Facilities

2. Public Facility Loans

## 2. TERMINATION OF AUTHORITY TO MAKE LOANS UNDER THE RECONSTRUCTION FINANCE CORPORATION LIQUIDATION ACT [1]

[Excerpt From the Housing Amendments of 1955; Public Law 345, 84th Congress, 69 Stat. 635, 644]

* * *

SEC. 205. No loans shall be made under section 108 of the Reconstruction Finance Corporation Liquidation Act (67 Stat. 230), as amended, after the date of enactment of this Act, except pursuant to an application for such loan filed prior to such date.

* * *

Approved August 11, 1955

[1] See new authorization in Housing Amendments of 1955, 10-2.3.

10. Community Facilities

2. Public Facility Loans

# 3. AUTHORIZATION—TITLE II, HOUSING AMENDMENTS OF 1955

[Public Law 345, 84th Congress, 69 Stat. 635, 642; 42 U.S.C. 1491]

## TITLE II—PUBLIC FACILITY LOANS

### DECLARATION OF POLICY

SEC. 201. It has been the policy of the Congress to assist wherever possible the States and their political subdivisions, and [1] Indian tribes to provide the services and facilities essential to the health and welfare of the people of the United States.

The Congress finds that in many instances municipalities, or other political subdivisions of States, and [1] Indian tribes, which seek to provide essential public works or facilities (including [2] mass transportation facilities and equipment), are unable to raise the necessary funds at reasonable interest rates.

It is the purpose of this title (subject to the limitations contained herein) to authorize the extension of credit to assist in the provision of certain essential public works or facilities by States, municipalities, or other political subdivisions of States, and [1] Indian tribes, where such credit is not otherwise available on reasonable terms and conditions.

### FEDERAL LOANS

SEC. 202. (a)[3] The Housing and Home Finance Administrator is authorized (1) to purchase the securities and obligations of, or make loans to, municipalities and other political subdivisions and instrumentalities of one or more States (including public agencies and instrumentalities of one or more municipalities or other political subdivision of one or more States), and [4] Indian tribes to finance specific projects for public works or facilities under State, municipal, or other applicable law, and (2) to purchase the securities and obligations of, or make loans to, States, municipalities and other political subdivisions of States, public agencies and instrumentalities of one or more States, municipalities and political subdivisions of States, and public corporations,

[1] Sec. 1 of Public Law 87-808, approved October 15, 1962, 76 Stat. 920, inserted "and Indian tribes".

[2] Sec. 501(a)(1), Housing Act of 1961. Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 173, inserted this parenthetical phrase.

[3] Sec. 601(a), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769,798, amended the first sentence of subsection 202(a) to make clear that instrumentalities of one or more States and instrumentalities of municipalities or other political subdivisions in one or more States are eligible for public facility loans. Immediately prior to amendment by sec. 601(a) of the Housing Act of 1964 that part of the first sentence from the beginning down to the end of clause (1) read as follows:

"The Housing and Home Finance Administrator is authorized (1) to purchase the securities and obligations of, or make loans to, municipalities and other political subdivisions and instrumentalities of States (including public agencies and instrumentalities of one or more municipalities or other political subdivisions in the same State), and Indian tribes to finance specific projects for public works or facilities under State, municipal, or other applicable law, and".

[4] Sec. 2(a) of Public Law 87-808, approved October 15, 1962, 76 Stat. 920, inserted "and Indian tribes".

boards, and commissions established under the laws of any State, to finance the acquisition, construction, reconstruction, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service in urban areas, and for use in coordinating highway, bus, surface-rail, underground, parking and other transportation facilities in such areas. The facilities and equipment referred to in clause (2) may include land, but not public highways, and any other real or personal property needed for an economic, efficient, and coordinated mass transportation system. No such purchase or loan shall be made for payment of ordinary governmental or nonproject operating expenses.

(b) The powers granted in subsection (a) of this section shall be subject to the following restrictions and limitations:

(1) No financial assistance shall be extended under this section unless the financial assistance applied for is not otherwise available on reasonable terms, and all securities and obligations purchased and all loans made under this section shall be of such sound value or so secured as reasonably to assure retirement or repayment, and such loans may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations or otherwise.

(2) No securities or obligations shall be purchased, and no loans shall be made, including renewals or extensions thereof, which have maturity dates in excess of forty years. Subject[1] to such maximum maturity, the Administrator in his discretion may provide for the postponement of the payment of interest on not more than 50 per centum of any financial assistance extended to an applicant under this section for a period up to ten years where (A) such assistance does not exceed 50 per centum of the development cost of the project involved, and (B) it is determined by the Administrator that such applicant will experience above-average population growth and the project would contribute to orderly community development, economy, and efficiency; and any amounts so postponed shall be payable with interest in annual installments during the remaining maturity of such assistance.

(3)[2] Financial assistance extended under this section shall bear interest at a rate determined by the Administrator which shall be not more than the higher of (A) 3 per centum per annum, or (B) the total of one-half of 1 per centum per annum added to the rate of interest paid by the Administrator on funds obtained from the Secretary of the Treasury as provided in section 203(a).

(4)[3] No financial assistance shall be extended under clause (1) of subsection (a) of this section (A) to any municipality or other political

[1] This sentence added by sec. 501(c), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 174.
[2] Added by sec. 501(d)(1), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 174.
[3] Added by sec. 501(e), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 174.

subdivision having a population of fifty thousand or more (one hundred fifty thousand or more in the case of a community situated in an area designated as a redevelopment area under section 5 [1] of the Area Redevelopment Act or [2] in the case of a community in or near which is located a research or development installation of the National Aeronautics and Space Administration) according to the most recent decennial census, or; (B)[3] to any public agency or instrumentality serving one or more municipalities, political subdivisions, or unincorporated areas in one or more States, unless each municipality, political subdivision, or unincorporated area to be served by the specific public work or facility for which assistance is sought under this section has a population less than the applicable figure under clause (A) according to such census. This [4] paragraph shall not apply to any financial assistance to be extended under subsection (a) of this section for the purpose of financing any project for public works or facilities to be initiated or accelerated as the result of a grant-in-aid from an allocation made by the President under section 9 [5] of the Public Works Acceleration Act.

(c) In the processing of applications for financial assistance under clause (1) of [6] subsection (a) of this section the Administrator shall give priority to applications of smaller municipalities for assistance in the construction of basic public works (including works for the storage, treatment, purification, or distribution of water; sewage, sewage treatment, and sewer facilities; and gas distribution systems) for which there is an urgent and vital public need. As used in this section, a "smaller municipality" means an incorporated or unincorporated town, or other political subdivision of a State, which had a population of less than ten thousand inhabitants at the time of the last Federal census, or [7] an Indian tribe.

(d)[8] No loans may be made for transportation facilities or equipment, pursuant to clause (2) of subsection (a) of this section, unless the Administrator determines (1) that there is being actively developed (or has been developed) for the urban or other metropolitan area served by the applicant a program, meeting criteria established by him, for

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[1] Sec. 601(b)(1), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 798, substituted "section 5 of the Area Redevelopment Act" for "the second sentence of section 5(a) of the Area Redevelopment Act".

[2] The words "or in the case of a community in or near which is located a research or development installation of the National Aeronautics and Space Administration" added by Public Law 87-634, approved September 5, 1962, 76 Stat. 435.

[3] Sec. 601(b)(2), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 798, substituted this clause for the following:
"to any public agency or instrumentality of one or more municipalities or other political subdivisions having a population (or an aggregate population) equal to or exceeding that figure according to such census."

[4] This sentence added by sec. 5(a), Public Works Acceleration Act, Public Law 87-658, approved September 14, 1962, 76 Stat. 541, 543. See 10-2.7.

[5] So designated in the enrolled enactment. Reference is to "section 3" rather than "section 9."

[6] Sec. 501(f), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 174, substituted "clause (1) of subsection (a) of this section" for "this section."

[7] Sec. 2(b) of Public Law 87-808, approved October 15, 1962, 76 Stat. 920, inserted "or an Indian tribe."

[8] Added by sec. 501(g), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 174.

the development of a comprehensive and coordinated mass transportation system; (2) that the proposed facilities or equipment can reasonably be expected to be required for such a system; and (3) if such program has not been completed, that there is an urgent need for the provision of the facilities or equipment to be commenced prior to the time that the program could reasonably be expected to be completed: *Provided,* That no such loan shall be made, except under a prior commitment, after June 30, 1963.[1]

(e) The [2] Administrator is authorized to make a grant-in-aid from any allocation made for such purpose by the President under section 9 [3] of the Public Works Acceleration Act to any public entity described in clause (1) of subsection (a) of this section of not to exceed 50 per centum of the cost of construction of any project for public works or facilities, if such project would be eligible (without regard to the restrictions and limitations of subsections (b) and (c) of this section) for financial assistance under clause (1) of subsection (a) of this section in accordance with the rules and regulations of the Administrator (as in effect on the date of enactment of this subsection) relating to the types of public works and facilities to which such assistance may be extended.

FINANCING

SEC. 203. (a) In order to finance activities under this title, the Administrator is authorized and empowered to issue to the Secretary of the Treasury, from time to time and to have outstanding at any one time, notes [4] and other obligations in an amount not to exceed $650,000,000: *Provided,* That, of the funds obtained through the issuance of such notes and other obligations, $600,000,000 shall be available only for purchases and loans pursuant to clause (1) of section 202(a) of this title and $50,000,000 shall be available only for purchases and loans pursuant to clause (2) of such section. Such obligations shall be in such forms and denominations, have such maturities and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such [5] notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury which shall be not more than the higher of (1) 2½ per centum per annum, or (2) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next

[1] Public Law 87-809, approved October 15, 1962, 76 Stat. 920, substituted "June 30, 1963" for "December 31, 1962."

[2] Added by sec. 5(b), Public Works Acceleration Act, Public Law 87-658, approved September 14, 1962, 76 Stat. 541, 543. See 10-2.7.

[3] So designated in the enrolled enactment. Reference is to "section 3" rather than "section 9."

[4] Immediately prior to amendment by sec. 501(h), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 175, the remainder of this sentence read: "in an amount not exceeding $150,000,000, notes and other obligations."

[5] Sec. 501(d)(2), Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 174, amended the third sentence of subsection 203(a) to read as set forth in the text. Immediately prior to amendment by sec. 501(d)(2) this sentence read:

"Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes or other obligations."

preceding the issuance by the Administrator and adjusted to the nearest one-eighth of 1 per centum.

The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator to be issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(b) Funds borrowed under this section and any proceeds shall constitute a revolving fund which may be used by the Administrator in the exercise of his functions under this title.

GENERAL PROVISIONS

SEC. 204. In the performance of, and with respect to, the functions, powers, and duties vested in him by this title the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402, except subsection (c) (2), of the Housing Act of 1950. Funds obtained or held by the Administrator in connection with the performance of his functions under this title shall be available for the administrative expenses of the Administrator in connection with the performance of such functions.

* * *[1]

[2] SEC. 206. As used in this title, the term "States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States.

[3] SEC. 207. The Administrator is authorized to establish technical advisory services to assist municipalities and other political subdivisions and instrumentalities, and [4] Indian tribes, in the budgeting, financing, planning, and construction of community facilities. There are hereby authorized to be appropriated such sums as may be necessary, together with any fees that may be charged, to cover the cost of such services.

Approved August 11, 1955

[1] See 10-2.2.
[2] Sec. 206 was added by sec. 603 of the Housing Act of 1956, Public Law 1020, 84th Congress, approved August 7, 1956, 70 Stat. 1091, 1114.
[3] Sec. 207 was added by sec. 501 (i) of the Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 175.
[4] Sec. 3 of Public Law 87-808, approved October 15, 1962, 76 Stat. 920, inserted ", and Indian tribes".

## 4. CANCELLATION OF FUNDS PROVIDED BY RECONSTRUCTION FINANCE CORPORATION LIQUIDATION ACT[1]

**[Excerpt from the Independent Offices Appropriation Act, 1957; Public Law 623, 84th Congress, 70 Stat. 339, 353]**

* * *

Office of the Administrator, public facility loans: Not to exceed $368,000 of funds in the revolving fund established pursuant to title II of the Housing Amendments of 1955,[1] as amended, shall be available for administrative expenses, . . . *Provided,* That (1) the authorization for appropriations contained in section 108 of the Reconstruction Finance Corporation Liquidation Act [2] (67 Stat. 232) is hereby canceled, (2) the unobligated balance of the revolving fund authorized by said section is rescinded and shall be covered into the Treasury upon approval of this Act, and (3) the obligation of the Administrator of the Housing and Home Finance Agency to repay the Treasury for advances from said fund, together with interest thereon, is hereby canceled.

* * *

Approved June 27, 1956

[1] See authorization in Housing Amendments of 1955, 10-2.3.
[2] See 10-2.1 for provisions of this section.

10. Community Facilities

2. Public Facility Loans and Grants—Areas of Persistent Unemployment [1]

# 5. AUTHORIZATION—EXCERPTS FROM AREA REDEVELOPMENT ACT

[Public Law 87-27, 75 Stat. 52, 53]

* * *

DECLARATION OF PURPOSE

SEC. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families and detract from the national welfare by wasting vital human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their economic redevelopment; that Federal assistance to communities, industries, enterprises, and individuals in areas needing redevelopment should enable such areas to achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies and improved local living conditions; and that under the provisions of this Act new employment opportunities should be created by developing and expanding new and existing facilities and resources rather than by merely transferring jobs from one area of the United States to another.

AREA REDEVELOPMENT ADMINISTRATOR

SEC. 3. There shall be appointed by the President, by and with the advice and consent of the Senate, an Area Redevelopment Administrator in the Department of Commerce.[2] The Administrator shall perform such duties in the execution of this Act as the Secretary of Commerce (hereinafter referred to as the "Secretary") may assign.

ADVISORY POLICY BOARD

SEC. 4. (a) To advise the Secretary in the performance of functions authorized by this Act, there is created an Area Redevelopment Advisory Policy Board (hereinafter referred to as the "Board"), which shall consist of the following members, all ex officio: the Secretary as Chairman; the Secretaries of Agriculture; Health, Education, and Welfare; Interior; Labor; and Treasury; and the Administrators of the

[1] See 10-2.6 for delegation by Secretary of Commerce to the Housing and Home Finance Administrator of the authority to carry out certain functions with respect to loans and grants under this Act.

[2] Sec. 305(22) of the Government Employees Salary Reform Act of 1964, Public Law 88-426, approved August 14, 1964, 78 Stat. 400, 425, deleted the remainder of this sentence which read: "who shall receive compensation at a rate equal to that received by Assistant Secretaries of Commerce.".

Housing and Home Finance Agency and the Small Business Administration. The Chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions herein authorized. Each member of the Board may designate an officer of his agency to act for him as a member of the Board with respect to any matter there considered.

* * *

REDEVELOPMENT AREAS

SEC. 5. (a) The Secretary shall designate as "redevelopment areas" those areas within the United States in which he determines, upon the basis of standards generally comparable with those set forth in paragraphs (1) and (2), that there has existed substantial and persistent unemployment for an extended period of time. There shall be included among the areas so designated any area—

(1) where the Secretary of Labor finds that the rate of unemployment, excluding unemployment due primarily to temporary or seasonal factors, is currently 6 per centum or more and has averaged at least 6 per centum for the qualifying time periods specified in paragraph (2); and

(2) where the Secretary of Labor finds that the annual average rate of unemployment has been at least—

(A) 50 per centum above the national average for three of the preceding four calendar years, or

(B) 75 per centum above the national average for two of the preceding three calendar years, or

(C) 100 per centum above the national average for one of the preceding two calendar years.

The Secretary of Labor shall find the facts and provide the data to be used by the Secretary in making the determinations required by this subsection.

(b) The Secretary shall also designate as "redevelopment areas" those areas (including Indian reservations) within the United States which do not meet the requirements set forth in subsection (a) but which he determines are among the highest in numbers and precentages of low-income families, and in which there exists a condition of substantial and persistent unemployment or underemployment. In making the designations under this subsection and before extending any financial assistance as the result of designations under this subsection, the Secretary shall, by regulation, prescribe detailed standards upon which the designations under this subsection shall be based. In the formulation of such standards the Secretary shall consider, among other relevant factors, the number of low-income farm families in the various rural areas of the United States, the proportion that such low-income families are of the total farm families of each of such areas, the relationship of the income levels of the families in each such area to the general levels of income in the United States, the extent to which

"rural development" projects have previously been located in any such area under programs administered by the Department of Agriculture, the current and prospective employment opportunities in each such area, the availability of manpower in each such area for supplemental employment, the extent of migration out of the area, and the proportion of the population of each such area which has been receiving public assistance from the Federal Government or from the State or States in which such area is located or from any municipality therein.

* * *

LOANS AND PARTICIPATIONS

SEC. 6. (a) The Secretary is authorized to purchase evidences of indebtedness and to make loans (which for purposes of this section shall include participations in loans) to aid in financing any project within a redevelopment area for the purchase or development of land and facilities (including, in cases of demonstrated need, machinery and equipment) for industrial or commercial usage, including the construction of new buildings, the rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings. Such financial assistance shall not be extended (1) for working capital, or (2) to assist establishments relocating from one area to another. The limitation set forth in clause (2) shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary finds that the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment in the area of original location or in any other area where such entity conducts business operations, unless the Secretary has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations.

(b) Financial assistance under this section shall be on such terms and conditions as the Secretary determines, subject, however, to the following restrictions and limitations:

(1) The total amount of loans (including purchased evidences of indebtedness) outstanding at any one time under this section (A) with respect to projects in redevelopment areas designated under section 5(a) shall not exceed $100,000,000 and (B) with respect to projects in redevelopment areas designated under section 5(b) shall not exceed $100,000,000.

(2) Such assistance shall be extended only to applicants, both private and public (including Indian tribes), which have been approved for such assistance by an agency or instrumentality of the State or political subdivision thereof in which the project to be financed is located, and which agency or instrumentality is directly concerned with problems of economic development in such State or subdivision.

* * *

(10) No such assistance shall be extended unless there shall be submitted to and approved by the Secretary an overall program for the economic development of the area and a finding by the State, or any agency, instrumentality, or local political subdivision thereof, that the project for which financial assistance is sought is consistent with such program: *Provided,* That nothing in this Act shall authorize financial assistance for any project prohibited by laws of the State or local political subdivision in which the project would be located.

LOANS FOR PUBLIC FACILITIES

SEC. 7. (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public nonprofit organization or association representing any redevelopment area or part thereof, the Secretary is authorized to make loans to assist in financing the purchase or development of land for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities, within a redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will tend to improve the opportunities, in the redevelopment area where such project is or will be located, for the successful establishment or expansion of industrial or commercial plants or facilities which will provide more than a temporary alleviation of unemployment or underemployment in such area;

(2) the funds requested for such project are not otherwise available on reasonable terms;

(3) the amount of the loan plus the amount of other available funds for such project are adequate to insure the completion thereof;

(4) there is a reasonable expectation of repayment; and

(5) such area has an approved economic development program as provided in section 6(b)(10) and the project for which financial assistance is sought is consistent with such program.

(b) Subject to section 12(5), the maturity date of any such loan shall be not later than forty years after the date such loan is made. Any such loan shall bear interest at a rate equal to the rate of interest paid by the Secretary on funds obtained from the Secretary of the Treasury as provided in section 9(a) of this Act, plus one-quarter of 1 per centum per annum.

(c) The total amount of loans outstanding at any one time under this section shall not exceed $100,000,000.

(d) No financial assistance shall be extended under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the

State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it agrees to undertake.

GRANTS FOR PUBLIC FACILITIES

SEC. 8. (a) Upon the application of any State, or political subdivision thereof, Indian tribe, or private or public nonprofit organization or association representing any redevelopment area or part thereof, the Secretary is authorized to make grants for land acquisition or development for public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of public facilities, within a redevelopment area, if he finds that—

(1) the project for which financial assistance is sought will tend to improve the opportunities, in the redevelopment area where such project is or will be located, for the successful establishment or expansion of industrial or commercial plants or facilities which will provide more than a temporary alleviation of unemployment or underemployment in such area;

(2) the entity requesting the grant proposes to contribute to the cost of the project for which such grant is requested in proportion to its ability so to contribute;

(3) the project for which a grant is requested will fulfill a pressing need of the area, or part thereof, in which it is, or will be, located, and there is little probability that such project can be undertaken without the assistance of a grant under this section; and

(4) the area for which a project is to be undertaken has an approved economic development program as provided in section 6(b)(10) and such project is consistent with such program.

The amount of any grant under this section for any such project shall not exceed the difference between the funds which can be practicably obtained from other sources (including a loan under section 7 of this Act) for such project, and the amount which is necessary to insure the completion thereof.

(b) The Secretary shall by regulation provide for the supervision of projects with respect to which grants are made under this section so as to insure that Federal funds are not wasted or dissipated.

(c) No financial assistance shall be extented under this section with respect to any public facility which would compete with an existing privately owned public utility rendering a service to the public at rates or charges subject to regulation by a State regulatory body, unless the State regulatory body determines that in the area to be served by the public facility for which the financial assistance is to be extended there

is a need for an increase in such service (taking into consideration reasonably foreseeable future needs) which the existing public utility is not able to meet through its existing facilities or through an expansion which it agrees to undertake.

(d) There is hereby authorized to be appropriated not to exceed $75,000,000 for the purpose of making grants under this section.

AREA REDEVELOPMENT FUND

SEC. 9. (a) To obtain funds for the purpose of extending financial assistance under sections 6 and 7, the Secretary may, with the approval of the President, issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $300,000,000. Such notes or other obligations shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Any such notes or other obligations which are issued by the Secretary to raise funds for financial assistance under section 6 shall bear interest at a rate determined by the Secretary of the Treasury, but such rate shall not be greater than the current average yields on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes or other obligations. Any such notes or other obligations which are issued by the Secretary to raise funds for financial assistance under section 7 shall bear interest at a rate determined by the Secretary of the Treasury which shall be not more than the higher of (1) 2½ per centum per annum, or (2) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the issuance by the Secretary and adjusted to the nearest one-eighth of 1 per centum. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued under this section and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchase of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated in every respect as public debt transactions of the United States.

(b) Funds obtained by the Secretary under subsection (a) shall be deposited in an area redevelopment fund (hereinafter referred to as the "fund"), which is hereby established in the Treasury of the United States, and which shall be available to the Secretary for the purpose of extending financial assistance under sections 6 and 7 and for the

payment of all obligations and expenditures arising therefrom. Receipts arising from the programs of assistance under sections 6 and 7 shall be credited to the fund. Any moneys in the fund determined by the Secretary to be in excess of current needs shall be paid into the Treasury as miscellaneous receipts.

* * *

POWERS OF SECRETARY

SEC. 12. In performing his duties under this Act, the Secretary is authorized to—

* * *

(5) further extend the maturity of or renew any loan made or evidence of indebtedness purchased under this Act, beyond the periods stated in such loan or evidence of indebtedness or in this Act, for additional periods not to exceed ten years, if such extension or renewal will aid in the orderly liquidation of such loan or evidence of indebtedness;

(6) deal with, complete, renovate, improve, modernize, insure, rent, or sell for cash or credit, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by, him in connection with loans made or evidences of indebtedness purchased under this Act;

* * *

EMPLOYMENT OF EXPEDITERS AND ADMINISTRATIVE EMPLOYEES

SEC. 19. No financial assistance shall be extended by the Secretary under section 6, 7, or 8 to any business enterprise unless the owners, partners, or officers of such business enterprise (1) certify to the Secretary the names of any attorneys, agents, and other persons engaged by or on behalf of such business enterprise for the purpose of expediting applications made to the Secretary for assistance of any sort, under this Act, and the fees paid or to be paid to any such person; and (2) execute an agreement binding such business enterprise, for a period of two years after such assistance is rendered by the Secretary to such business enterprise, to refrain from employing, tendering any office or employment to, or retaining for professional services, any person who, on the date such assistance or any part thereof was rendered, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee, occupying a position or engaging in activities which the Secretary shall have determined involve discretion with respect to the granting of assistance under this Act.

* * *

PREVAILING RATE OF WAGE AND FORTY-HOUR WEEK

SEC. 21. All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary under this Act

and undertaken by public applicants shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5), and every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any work-week in excess of eight hours in any workday or forty hours in the workweek, as the case may be. The Secretary shall not extend any financial assistance under section 6, 7, or 8 for such a project without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

* * *

USE OF OTHER FACILITIES

SEC. 24. (a) To the fullest extent practicable in carrying out the provisions of this Act the Secretary shall use the available services and facilities of other agencies and instrumentalities of the Federal Government, but only with their consent and on a reimbursable basis. The foregoing requirement shall be implemented by the Secretary in such a manner as to avoid the duplication of existing staffs and facilities in any agency or instrumentality of the Federal Government. The Secretary is authorized to delegate to the heads of other departments and agencies of the Federal Government any of the Secretary's functions, powers, and duties under this Act as he may deem appropriate, and to authorize the redelegation of such functions, powers, and duties by the heads of such departments and agencies.

(b) Departments and agencies of the Federal Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this Act. This Act shall be supplemental to any existing authority, and nothing herein shall be deemed to be restrictive of any existing powers, duties, and functions of any other department or agency of the Federal Government.

(c) Funds authorized to be appropriated under this Act may be transferred, with the approval of the Director of the Bureau of the Budget, between departments and agencies of the Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

(d) Subject to the standards and procedures prescribed by section 505 of the Classification Act of 1949, as amended, the head of any agency, for the performance of functions under this Act, including functions delegated pursuant to subsection (a), may place positions in grades 16, 17, and 18 of the General Schedule established by such Act, and such

positions shall be in addition to the number of such positions authorized by section 505 of the Classification Act of 1949, as amended, to be placed in such grades: *Provided,* That not to exceed a total of five such positions may be placed in such grades under this subsection, to be apportioned among the agencies by the Secretary, with the approval of the Director of the Bureau of the Budget.

RECORDS AND AUDIT

SEC. 25. (a) Each recipient of assistance under section 6, 7, or 8 of this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under section 6, 7, or 8 of this Act.

• • •

RESEARCH

SEC. 27. To assist in the long-range accomplishment of the purposes of this Act, the Secretary, in cooperation with other agencies having similar functions, shall establish and conduct a continuing program of study and research designed to assist in determining the causes of unemployment, underemployment, underdevelopment, and chronic depression in the various areas of the Nation and in the formulation and implementation of national, State, and local programs which will raise income levels and otherwise produce solutions of the problems resulting from these conditions. The Secretary shall include in his annual report under section 22 a detailed statement concerning the study and research conducted under this section together with his findings resulting therefrom and his recommendations for legislative and other action.

APPLICATION OF ACT

SEC. 28. As used in this Act, the terms "State", "States", and "United States" include the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

TERMINATION OF AUTHORITY

SEC. 29. (a) This Act and all authority conferred thereunder shall terminate at the close of June 30, 1965.

(b) Notwithstanding the foregoing, effective on July 1, 1965, those assets, funds, contracts, loans, liabilities, commitments, authorizations, allocations, and records of the Secretary under this Act which the Director of the Bureau of the Budget shall determine are necessary to the liquidation of the affairs and functions conducted under this Act, are transferred to the Secretary of the Treasury for purposes of liquidation.

(c) The termination of this Act shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment, or other obligation entered into pursuant to this Act prior to the date of such termination, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying on operations under this Act.

Approved May 1, 1961.

10. Community Facilities

2. Community Facilities

## 6. DELEGATION OF AUTHORITY FROM SECRETARY OF COMMERCE TO HOUSING AND HOME FINANCE ADMINISTRATOR TO CARRY OUT CERTAIN FUNCTIONS WITH RESPECT TO LOANS AND GRANTS UNDER AREA REDEVELOPMENT ACT

[26 Fed. Reg. 7974]

The Secretary of Commerce, pursuant to the legislative directive that available services and facilities of other agencies and instrumentalities of the Federal Government shall be used to the fullest extent practicable in carrying out the provisions of the Area Redevelopment Act (Public Law 87-27) herein referred to as the Act, and in order to avoid duplication of existing staffs and facilities in the departments and agencies named herein, delegates to the heads of the named departments and agencies the functions, powers and duties as follows:

* * *

b.[1] *Housing and Home Finance Agency*

(1) To carry out, under the rules, regulations, and policies of the Secretary of Commerce, the provisions of Sections 7 and 8 of the Act by performing the following functions:

(a) Making loans and grants after express authorization by the Secretary of Commerce;

(b) Determining that loans made under Section 7 of the Act are in compliance with the requirements of Sections 7(a)(2), 7(a)(3), 7(a)(4), 7(b), and 7(d);

(c) Determining that grants made under Section 8 of the Act are in compliance with the requirements of Sections 8(a)(2) and 8(c) of the Act; that there is little probability that such projects can be undertaken without the assistance of a grant under Section 8; and that the amount of any grant under Section 8 for a project does not exceed the difference between the funds which can be practicably obtained from other sources (including a loan under Section 7 of the Act) for such project and the amount which is necessary to insure the completion thereof;

(d) Exercising the powers, duties, and functions vested in the Secretary of Commerce by Sections 19 and 21 of the Act in connection with any loans or grants proposed to be made under Section 7 or 8 of the Act.

[1] The Small Business Administration was delegated the authority of the Housing and Home Finance Agency hereunder in cases where the Secretary of Commerce finds that the power, duty or function may be more efficiently and conveniently carried out by the Small Business Administration. This amended delegation dated August 24, 1962, and published January 8, 1963 (28 Fed. Reg. 190-191).

(2) To exercise in carrying out the foregoing delegations under rules, regulations and policies of the Secretary of Commerce, the powers, duties, and functions vested in the Secretary of Commerce by Sections 12(4), 12(5), 12(6), 12(7), 12(8), 12(9), 12(10), of the Act.

(3)[1] To exercise any of the powers, duties and functions delegated to the Small Business Administration in sections 5a (1) and (2) hereof where the Secretary of Commerce finds that by reason of the nature of a project involved or its relation to other financial assistance being requested, such power, duty or function may be more efficiently and conveniently carried out by the Housing and Home Finance Agency.

* * *

7. *REDELEGATION*

(a) *All Departments and Agencies*

(1) To redelegate to officers and employees of their respective departments and agencies, the functions, powers, and duties herein delegated to the heads of departments and agencies.

8. *FINANCING*

The Secretary of Commerce will advance funds to the delegate departments and agencies named herein, for the purpose of financing the functions, powers, and duties specified above to the extent needed for loans and grants, and additional staff and facilities as determined under generally accepted accounting principles. Commitments by delegate departments and agencies of funds from the Department of Commerce for such functions, powers, and duties shall be limited to amounts agreed upon in advance.

Dated this 20th day of July 1961.

(Signed) Luther H. Hodges
Secretary of Commerce

[1] This subparagraph added August 24, 1962, and published January 8, 1963 (28 Fed. Reg. 190-191). The amended delegation of authority delegates to the HHFA the authority of the Small Business Administration under sec. 6 of the Area Redevelopment Act, concerning loans and participations, and also the authority under subsections 4-10 inclusive of sec. 12 of that Act in cases where the Secretary of Commerce finds that the power, duty or function may be more efficiently and conveniently carried out by the Housing and Home Finance Agency.

10. Community Facilities

2. Public Facility Loans and Grants—Areas of Persistent Unemployment

## 7. AUTHORIZATION—EXCERPTS FROM PUBLIC WORKS ACCELERATION ACT [1]

[Public Law 87-658, 76 Stat. 541-543]

* * *

SEC. 2. (a) The Congress finds that (1) certain communities and areas in the Nation are presently burdened by substantial unemployment and underemployment and have failed to share fully in the economic gains of the recovery from the recession of 1960–1961 and (2) action by the Federal Government is necessary, both to provide immediate useful work for the unemployed and underemployed in these communities and to help these communities, through improvement of their facilities, to become more conducive to industrial development and better places in which to live and work. The Nation has a backlog of needed public projects, and an acceleration of these projects now will not only increase employment at a time when jobs are urgently required but will also meet longstanding public needs, improve community services, and enhance the health and welfare of citizens of the Nation.

(b) The Congress further finds that Federal assistance to stimulate public works investment in order to increase employment opportunities is most urgently needed in those areas, both urban and rural, which qualify as redevelopment areas because they suffer from persistent and chronic unemployment and economic underdevelopment, as well as in other areas which have suffered from substantial unemployment for a period of at least twelve months.

SEC. 3. (a) For the purposes of this section the term "eligible area" means—

(1) those areas which the Secretary of Labor designates each month as having been areas of substantial unemployment for at least nine of the preceding twelve months; and

(2) those areas which are designated by the Secretary of Commerce under subsections (a) and (b) of section 5 of the Area Redevelopment Act as "redevelopment areas".

(b) The President is authorized to initiate and accelerate in eligible areas those Federal public works projects which have been authorized by Congress, and those public works projects of States and local governments for which Federal financial assistance is authorized under provisions of law [2] other than this Act, by allocating funds appropriated to carry out this section—

(1) to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the construction of Federal public works projects, and

[1] See Executive Order 11049, 10-2.8, providing for the carrying out of this Act. See also 10-1.3, 10-2.3, and 10-2.5.
[2] See 10-1.3, 10-2.3, and 10-2.5.

(2) to the heads of the departments, agencies, and instrumentalities of the Federal Government responsible for the administration of laws authorizing Federal financial assistance to public works projects of States and local governments.

(c) All grants-in-aid made from allocations made by the President under this section shall be made by the head of the department, agency, or instrumentality of the Federal Government administering the law authorizing such grants, and, except as otherwise provided in this subsection, shall be made in accordance with all of the provisions of such law except (1) provisions requiring allocation of funds among the States, and (2) limitations upon the total amount of such grants for any period. Notwithstanding any provision of such law requiring the Federal contribution to the State or local government involved to be less than a fixed portion of the cost of a project, grants-in-aid may be made under authority of this section which bring the total of all Federal contributions to such project up to 50 per centum of the cost of such project, or up to 75 per centum of the cost of such project if the State or local government does not have economic and financial capacity to assume all of the additional financial obligations required.

(d) There is hereby authorized to be appropriated not to exceed $900,000,000 [1] to be allocated by the President in accordance with subsection (b) of this section, except that not less than $300,000,000 shall be allocated for public works projects in areas designated by the Secretary of Commerce as redevelopment areas under subsection (b) of section 5 of the Area Redevelopment Act.

(e) The President shall prescribe rules, regulations, and procedures to carry out this section which will assure that adequate consideration is given to the relative needs of eligible areas. In prescribing such rules, regulations, and procedures the President shall consider among other relevant factors (1) the severity of the rates of unemployment in the eligible areas and the duration of such unemployment and (2) the income levels of families and the extent of underemployment in eligible areas.

(f) Funds allocated by the President under this section shall be available only for projects—

(1) which can be initiated or accelerated within a reasonably short period of time;

(2) which will meet an essential public need;

(3) a substantial portion of which can be completed within twelve months after initiation or acceleration;

(4) which will contribute significantly to the reduction of local unemployment;

[1] See 40-1(1963)-2, 40-1(1964)-2, and 40-1(1965)-3 for funds appropriated to the President to carry out the purposes of the Public Works Acceleration Act.

(5) which are not inconsistent with locally approved comprehensive plans for the jurisdiction affected, wherever such plans exist.

(g) Not more than 10 per centum of all amounts allocated by the President under this section shall be made available for public works projects within any one State.

(h) The criteria to be used by the Secretary of Labor in determining areas of substantial unemployment for the purposes of paragraph (1) of subsection (a) of this section shall be the criteria established in section 6.3 of title 29 of the Code of Federal Regulations as in effect May 1, 1962.[1]

SEC. 4. (a) No part of any allocation made by the President under this Act shall be made available during any fiscal year to any State or local government for any public works project, unless the proposed or planned total expenditure (exclusive of Federal funds) of such State or local government during such fiscal year for all its capital improvement projects is increased by an amount approximately equal to the non-Federal funds required to be made available for such public works project.

(b) No part of any allocation made by the President under this Act shall be made available for any planning or construction, directly or indirectly, of any school or other educational facility.

* * * [2]

Approved September 14, 1962.

[1] The criteria required by sec. 6.3 are as follows:
(a) The number of workers seeking employment in the area is in excess of currently available job opportunities, and this situation is expected to continue through the next 2- and 4-month period.
(b) Unemployment is 6 or more percent of the total labor force.
(c) Net nonagricultural labor requirements for 2 and 4 months hence indicate declining employment levels or no significant increase in labor requirements.
(d) The current or anticipated labor surplus is not due primarily to seasonal or temporary factors.

[2] See 10-2.3 for sec. 5 of Public Works Acceleration Act and 10-1.3 for sec. 6 of that act.

10. Community Facilities

2. Public Facility Loans and Grants—Areas of Persistent Unemployment

## 8. EXECUTIVE ORDER 11049

[27 Fed. Reg. 9203]

## PROVIDING FOR THE CARRYING OUT OF THE PUBLIC WORKS ACCELERATION ACT

By virtue of the authority vested in me by the Public Works Acceleration Act, approved September 14, 1962 (Public Law 87-658), hereinafter referred to as the Act, and by Section 301 of title 3 of the United States Code, is hereby ordered as follows:

SECTION 1. The Secretary of Commerce shall assist the President in the carrying out of the Public Works Acceleration Act and to that end he shall (a) receive and coordinate proposals from Federal agencies for allocations from funds appropriated pursuant to Section 3 of the Act, and (b) make recommendations to the President for the allocation of such funds. The Secretary shall maintain such records of progress and accomplishments and shall recommend such actions by the President as are necessary to assure that Federal responsibilities under the Act are carried out expeditiously.

SEC. 2. There is hereby delegated to the Secretary of Commerce the authority vested in the President by Section 3(e) of the Act to prescribe rules, regulations, and procedures to carry out Section 3 of the Act. In prescribing such rules, regulations, and procedures, the Secretary shall include therein provisions to assure that (a) preference in employment on public works undertaken pursuant to the Act shall, insofar as practicable, be given to qualified local labor, (b) funds allocated under the Act shall be supplementary to other Federal funds which otherwise would have been expended in eligible areas as defined in the Act, and (c) appropriate State and local agencies shall direct requests for Federal assistance to the Federal agency administering the law authorizing such assistance.

SEC. 3. Federal departments and agencies receiving allocations of funds appropriated pursuant to the Act shall make such regular reports and provide such other information to the Secretary of Commerce as he deems necessary in order to carry out his responsibilities under this order, and shall cooperate with the Secretary to assure that Federal funds are expended in accordance with the requirements of the Act and of the rules, regulations, and procedures prescribed pursuant to the Act.

JOHN F. KENNEDY

THE WHITE HOUSE,
*September 14, 1962.*

10. Community Facilities

3. War and Emergency Community Facilities

# 1. WORLD WAR II COMMUNITY FACILITIES

[Excerpt from the Lanham Act, as amended, Public Law 849, 76th Congress; 54 Stat. 1125; 42 U.S.C. 1531 et seq. (1946 ed)]

* * *

## TITLE II [1]

DEFENSE PUBLIC WORKS

SEC. 201. It is hereby declared to be the policy of this title to provide means by which public works may be acquired, maintained, and operated in the areas described in section 202. As used in this title, the term "public work" means any facility necessary for carrying on community life substantially expanded by the national-defense program, but the activities authorized under this title shall be devoted primarily to schools, waterworks, sewers, sewage, garbage and refuse disposal facilities, public sanitary facilities, works for the treatment and purification of water, hospitals and other places for the care of the sick, recreational facilities, and streets and access roads.

SEC. 202. Whenever the President finds that in any area or locality an acute shortage of public works or equipment for public works necessary to the health, safety, or welfare of persons engaged in national-defense activities exists or impends which would impede national-defense activities, and that such public works or equipment cannot otherwise be provided when needed, or could not be provided without the imposition of an increased excessive tax burden or an unusual or excessive increase in the debt limit of the taxing or borrowing authority in which such shortage exists, the Federal Works Administrator [2] is authorized,[3] with

[1] See 9-1.1, the Lanham Act, for provisions of the Lanham Act with respect to the disposition of community facilities. See also 9-1-8, Excerpt from Public Law 796, 80th Congress, and 10-3.2, Excerpt from the First Independent Offices Appropriation Act, 1954.

**Title II was originally added to the Lanham Act by Public Law 137, 77th Congress, approved June 28, 1941, 55 Stat. 361.**

[2] **All functions of the Federal Works Agency and the Federal Works Administrator were transferred to the Administrator of General Services effective July 1, 1949, pursuant to the "Federal Property and Administrative Services Act of 1949", Public Law 152, 81st Congress,** approved June 30, 1949, 63 Stat. 377. See also Reorganization Plan No. 17 of 1950, 2-1.4, which transferred the functions of the Administrator of General Services under title II of the Lanham Act to the Housing and Home Finance Administrator.

Housing Administrator's Order No. 1, 2-1.3, provides that management of liquidating activities with respect to defense community facilities and services under title II of the Lanham Act shall be administered by the Community Facilities Commissioner under the supervision and direction of the Administrator.

See also Revolving Fund for Liquidating Programs, 2-2.4.

[3] The Emergency Powers Interim Continuation Act, Public Law 313, 82d Congress, approved April 14, 1952, 66 Stat. 54, 55, provided that "In view of the continuing existence of acute housing needs occasioned by World War II, the emergency declared by the President on September 8, 1939, shall, for the purpose of continuing the use of property" held under the Lanham Act, continue to exist until and including June 1, 1952, notwithstanding the termination of the war with Japan and of the national emergencies proclaimed by the President. (See also Sec. 301 of the Lanham Act, 9-1.1.) The emergency was continued from June 1, 1952, to June 15, 1952, by Public Law 368, 82d Congress, approved May 28, 1952, 66 Stat. 96; to June 30, 1952, by Public Law 393, 82d Congress approved June 14, 1952, 66 Stat. 137; and to July 3, 1952, by Public Law 428, 82d Congress, approved June 30, 1952, 66 Stat. 296. Public Law 450, 82d Congress, approved July 3, 1952, 66 Stat. 330, continued the emergency until six months after the termination of the national emergency proclaimed by the President on December 16, 1950, or until such earlier date as may be provided by the Congress or by the President, but in no event beyond April 1, 1953. "July 1, 1953" was substituted for "April 1, 1953" in Public Law 450, 82d Congress by Public Law 12, 83d Congress, approved March 31, 1953, 67 Stat. 18.

the approval of the President, in order to relieve such shortage—

(a) To acquire, prior to the approval of title by the Attorney General if necessary (without regard to sections 1136, as amended, and 3709 of the Revised Statutes), improved or unimproved lands or interests in lands by purchase, donation, exchange, lease (without regard to section 322 of the Act of June 30, 1932 (47 Stat. 412), as amended, the Act of March 3, 1877 (19 Stat. 370), or any time limit on the availability of funds for the payment of rent), or condemnation (including proceedings under the Acts of August 1, 1888 (25 Stat. 357), March 1, 1929 (45 Stat. 1415), and February 26, 1931 (46 Stat. 1421)), for such public works.

(b) By contract or otherwise (without regard to sections 1136, as amended, and 3709 of the Revised Statutes, section 322 of the Act of June 30, 1932 (47 Stat. 412), or any Federal, State, or municipal laws, ordinances, rules, or regulations relating to plans and specifications or forms of contract, the approval thereof or the submission of estimates therefor), prior to the approval of title by the Attorney General if necessary, to plan, design, construct, remodel, extend, repair, or lease public works, and to demolish structures, buildings, and improvements, on lands or interests in lands acquired under the provisions of subsection (a) hereof or on other lands of the United States which may be available (transfers of which for this purpose by the Federal agency having jurisdiction thereof are hereby authorized notwithstanding any other provisions of law), provide proper approaches thereto, utilities, and transportation facilities, and procure necessary materials, supplies, articles, equipment, and machinery, and do all things in connection therewith to carry out the purposes of this title.

(c) To make loans or grants, or both, to public and private agencies for public works and equipment therefor, and to make contributions to public or private agencies for the maintenance and operation of public works, upon such terms and in such amounts as the Administrator may consider to be in the public interest. As used in this paragraph, the term "private agency" means any private agency no part of the net earnings of which inures to the benefit of any private shareholder or individual.

SEC. 203. (a) In carrying out this title—

(1) no contract on a cost plus a percentage of cost basis shall be made, but contracts may be made on a cost plus a fixed fee basis: *Provided,* That the fixed fee does not exceed 6 per centum of the estimated cost;

(2) wherever practicable, utilization shall be made of existing private and public facilities or such facilities shall be extended, enlarged, or equipped in lieu of constructing new facilities;

(3) public works shall be maintained and operated by officers and employees of the United States only if and to the extent that local public and private agencies are, in the opinion of the Administrator, unable or unwilling to maintain or operate such public works adequately with their own personnel and under loans or grants authorized by this title;

(4) public works shall be provided on the basis of need and in determining need no discrimination shall be made on account of race, creed, or color.

(b) No department or agency of the United States shall exercise any supervision or control over any school with respect to which any funds have been or may be expended pursuant to this title, nor shall any term or condition of any agreement under this title relating to, or any lease, grant, loan, or contribution made under this title to or on behalf of, any such school, prescribe or affect its administration, personnel, curriculum, instruction, methods of instruction, or materials for instruction.

(c) No department or agency of the United States shall exercise any supervision or control over any hospital or other place for the care of the sick (which is not owned and operated by the United States) with respect to which any funds have been or may be expended under this title, nor shall any term or condition of any agreement under this title relating to, or any lease, grant, loan, or contribution made under this title to, or on behalf of, any such hospital or place, prescribe or affect its administration, personnel, or operation.

SEC. 204. The sum of $530,000,000,[1] to remain available until expended, is hereby authorized to be appropriated to carry out the purposes of this title and for administrative expenses in connection therewith, including personal services and rent in the District of Columbia and elsewhere, printing and binding, and purchase, repair, operation, and maintenance of motor-propelled passenger-carrying vehicles: [*Provided,* That none of such funds shall be used for loans, grants, or contributions for the operation of day care or extended school services for children of mothers employed in war areas if and when the War-Area Child-Care Act of 1943 (S. 1130, Seventy-eighth Congress, first session) becomes law: *Provided further,* That no grant, loan, or contribution for the maintenance or operation of public schools in any State shall be made without prior consultation with the State department of education and the United States Office of Education: *Provided further,* That (a) none of the funds authorized herein shall be used to acquire public works already operated by public or private agencies, except where funds are allotted for substantial additions or improvements to such public works and with the consent of the owners thereof, and (b) the total amount allocated for contributions to public and private agencies for the maintenance and operation of public works after July 1, 1943, shall not exceed $120,000,000.[2]]

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[1] Under this authorization $150 million was appropriated by Public Law 150, 77th Congress, approved July 3, 1941, 55 Stat. 541, 546; $150 million by Public Law 371, 77th Congress, approved December 23, 1941, 55 Stat. 855; $50 million by Public Law 140, 78th Congress, approved July 12, 1943, 57 Stat. 537, 540; $115 million by Public Law 279, 78th Congress, approved April 1, 1944, 58 Stat. 150, 153; $12 million by Public Law 529, 78th Congress, approved December 22, 1944, 58 Stat. 853; $20 million by Public Law 40, 79th Congress, approved April 25, 1945, 59 Stat. 77, 80; and $20 million by Public Law 132, 79th Congress, approved July 5, 1945, 59 Stat. 412, 419.

Rescissions in appropriations for "War public works (community facilities)" amounted to: $13,700,000 by Public Law 801, 79th Congress, approved February 18, 1946, 60 Stat. 6, 9; $5,750,000 by Public Law 391, 79th Congress, approved May 27, 1946, 60 Stat. 221; and $5,100,000 by Public Law 269, 80th Congress, approved July 30, 1947, 61 Stat. 585.

See also 2-2.4, Revolving Fund for Liquidating Programs.

[2] Originally $40,000,000. Increased to $70,000,000 by Public Law 279, 78th Congress, approved April 1, 1944, 58 Stat. 150, 153; to $80,000,000 by Public Law 529, 78th Congress, approved

SEC. 205.[1] In order to enable school authorities that are still overburdened with war-incurred school enrollments to meet their needs during the transition from war to peacetime conditions, the Federal Works Administrator is authorized to continue to make, during the fiscal year ending June 30, 1947, contributions for the operation and maintenance of school facilities to (a) local school agencies requiring assistance that have received during the fiscal year ending June 30, 1946, contributions under this Act for the maintenance and operation of their school facilities; and (b) local school agencies requiring assistance that may be subject to a loss of tax revenues because of the acquisition or ownership of land by the United States. Contributions under this section may be made without regard to sections 202 and 301 of this Act and to the provisions in any appropriation Act heretofore enacted appropriating funds to carry out the functions vested in the Federal Works Administrator by title II and title III of this Act which may conflict with the purpose of this section, and such contributions may be made notwithstanding the declaration by the President that any existing emergency has ceased to exist. Appropriations and existing appropriations heretofore authorized to carry out the purposes of titles II and III of this Act are hereby authorized to carry out the purposes of this section.

• • •

December 22, 1944, 58 Stat. 853, 858; to $85,000,000 by Public Law 40, 79th Congress, approved April 25, 1945, 59 Stat. 77, 81; and to $120,000,000 by Public Law 125, 79th Congress, approved July 3, 1945, 59 Stat. 383.

The provisos enclosed in brackets were contained in Public Law 150, 78th Congress, approved July 15, 1943, 57 Stat. 565, and technically were not enacted as an amendment to the Lanham Act.

1 Section 205 was added by Public Law 452, 79th Congress, approved June 26, 1946, 60 Stat. 314.

10. Community Facilities

3. War and Emergency Community Facilities

## 2. TRANSFER TO OTHER AGENCIES AUTHORIZED

[Excerpt from the First Independent Offices Appropriation Act, 1954, Public Law 176, 83d Congress; 67 Stat. 298, 305]

* * *

HOUSING AND HOME FINANCE AGENCY
OFFICE OF THE ADMINISTRATOR

* * *

*Provided further,* That the Administrator is authorized without regard to any other provisions of law to transfer without reimbursement any project or facility, or part thereof, constructed or provided under title II of the Act of October 14, 1940, as amended (including any personal property related to such project or facility), to any other department or agency, whenever the head of such department or agency so requests after determining that such project or facility is required for the continued operation of or is an integral part of a project or facility under the jurisdiction of such department or agency: * * *

* * *

Approved July 31, 1953

## 3. NOTE ON DEFENSE COMMUNITY FACILITIES

See 9-2 for provisions of the Defense Housing and Community Facilities and Services Act of 1951 providing assistance to defense community facilities and services, and for provisions of Executive Order 10296 and Defense Mobilization Order I-3 concerning the administration of such assistance.

Save

NOTE

In Transmittal Letter L-29 Section 30-3.1 was inadvertently printed on the back of Section 30-1.4. This error will be corrected in the next revision for this Volume.

10. Community Facilities

4. Educational Facilities [1]

## 1. SCHOOL CONSTRUCTION ACT [2] (OLD LAW)

[Public Law 815, 81st Congress, as amended; 64 Stat. 967; 20 U.S.C. 272-280]

[NOTE: Includes all amendments prior to enactment of Public Law 85-620, 85th Congress, approved August 12, 1958. Sec. 101 of the 1958 law rewrote Public Law 815, 81st Congress and Sec. 102 provided "The amendment made by section 101 shall be effective for the period beginning July 1, 1958, except that such amendment shall not apply in the determination of payments on applications based on the increase period ending with the regular school year 1958-1959 or any prior regular school year."] [3]

* * *

## TITLE II—SCHOOL CONSTRUCTION IN FEDERALLY-AFFECTED AREAS

DECLARATION OF POLICY

SECTION 201. In recognition of the impact which certain Federal activities have had on the school construction needs in the areas in which such Federal activities have been or are being carried on, the Congress hereby declares it to be the policy of the United States to bear the cost of constructing school facilities in such areas in the manner and to the extent provided in this title.

PAYMENTS TO LOCAL EDUCATIONAL AGENCIES

SEC. 202.(a) * * *

* * *

(g)(1) Where—

(A) under any law other than a law relating to the disposal of surplus property, the United States constructed, or assisted in the construction of school facilities in the school district of any local educational agency;

(B) such construction was completed after June 30, 1939; and

(C) either such agency has title to such school facilities, or, in the judgment of the Commissioner of Community Facilities Service, there is reasonable assurance that such agency will have the right

[1] See also section 504, Lanham Act, 9-1.1.

[2] Under agreement with the Commissioner of Education, the Housing Administrator reviews applications for Federal assistance in the construction of non-Federal school facilities; reviews plans, specifications and proposed contract documents for the facilities; conducts on-site inspection during construction; and upon completion of the facilities, after inspection, certifies that final payment to the local educational agency is in order. The Administrator prepares plans for approval by the Commissioner of Education and provides or constructs Federal school facilities and upon request from the Commissioner inspects school facilities provided by local educational agencies and advises the Commissioner as to the cost of such facilities where the Commissioner has received application for reimbursement. The Administrator also provides temporary educational facilities when so requested by the Commissioner. Funds for administrative expenses of the Administrator and program funds are provided by the Commissioner of Education.

Housing Administrator's Organizational Order No. 1, 2-1.3, provides that the Administrator's function with respect to school construction shall be administered by the Commissioner of the Community Facilities Administration, a constituent unit of the Housing and Home Finance Agency, under the supervision and direction of the Administrator.

[3] See 10-4.2 p. 1 for 1958 amendment rewriting Public Law 815, 81st Congress.

to use such facilities for the remainder of the estimated usable life of such facilities,

then the Commissioner of Community Facilities Service, in accordance with regulations prescribed by him, shall determine the amount which equals the actual cost to the United States of constructing or assisting in the construction of such school facilities, minus (i) percentage depreciation applied to such cost for the period beginning with the completion of the construction of such facilities and ending on June 30, 1951 (the rate of such depreciation to be based on the estimated usable life of such school facilities for the school purposes of such agency), and (ii) so much of the actual cost to the United States of constructing or assisting in the construction of such facilities as has been recovered by the United States. The Commissioner of Community Facilities Service shall certify to the Commissioner of Education the amount so determined; and the Commissioner of Education shall reduce the maximum amount which such agency is otherwise entitled to receive under this section in accordance with such certification.

(2) Where—

(A) under the Act of October 14, 1940, entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes," as amended,[1] the United States has prior to the enactment of this Act constructed school facilities in the school district of a local educational agency; and

(B) such school facilities are available to such agency on the date this Act is enacted, the head of the Federal department or agency having custody of such facilities shall forthwith transfer to such local educational agency all right, title, and interest remaining in the United States in and to such facilities and the land being used in connection with the operation of such facilities.

In any case where such facilities are or have been damaged or destroyed by fire or other casualty after they have become eligible for such transfer but before such transfer has been completed, the head of the Federal department or agency may assign or pay to such local educational agency, solely for use in repairing or reconstructing such facilities, all or any part of any insurance receipts in connection with such casualty which are payable or have been paid in consideration of premiums which such local educational agency has advanced for the benefit of the United States.

WHERE EFFECT OF FEDERAL ACTIVITIES WILL BE TEMPORARY

Sec. 203. Notwithstanding the provisions of section 202, whenever the Commissioner determines that part of or all of the attendance with respect to which any local educational agency is entitled to receive payment under such section will be of temporary duration only, such agency shall not be entitled to receive such payment with respect to the

[1] Lanham Act. See 10-3.1.

attendance so determined to be of temporary duration only. Instead, the Commissioner shall make available to such agency such temporary school facilities as may be necessary to take care of such attendance; except that he may, where the local educational agency gives assurance that adequate school facilities will be provided to take care of such attendance, pay (on such terms and conditions as he deems appropriate to carry out the purposes of this title) to such agency for use in constructing school facilities an amount equal to the amount which he estimates would be necessary to make available such temporary facilities. The Commissioner may transfer to such agency or its successor all the right, title, and interest of the United States in and to any temporary facilities made available to such agency under this section; any such transfer shall be without charge, but may be made on such other terms and conditions, and at such time, as the Commissioner deems appropriate to carry out the purposes of this title.[1]

CHILDREN FOR WHOM LOCAL AGENCIES ARE UNABLE TO PROVIDE EDUCATION

Sec. 204. In the case of children who reside on Federal property—

(1) if no tax revenues of the State or any political subdivision thereof may be expended for the free public education of such children; or

(2) if it is the judgment of the Commissioner, after he has consulted with the appropriate State educational agency, that no local educational agency is able to provide suitable free public education for such children,

the Commissioner shall make such arrangements for constructing and otherwise providing school facilities as may be necessary for the education of such children.[2] To the maximum extent practicable school facilities provided under this section shall be comparable to the school facilities provided for children in comparable communities in the State. This section shall not apply (A) to children who reside on Federal property under the control of the Atomic Energy Commission, and (B) to Indian children attending Federally operated Indian schools. Whenever it will be necessary for the Commissioner to provide school facilities for children residing on Federal property under this section, no local educational agency shall be entitled to receive payment under section 202 with respect to the attendance of such children.

APPLICATIONS

Sec. 205. (a) No local educational agency shall be entitled to payment of any part of the maximum amount established for such agency

[1] Sec. 4 of Public Law 382, 84th Congress, approved August 12, 1955, 69 Stat. 713, which added this sentence, provided that the amendment should apply to any facility made available to a local educational agency either before or after the enactment of Public Law 382.

[2] The General Services Administration, effective February 17, 1951, delegated authority to the Housing and Home Finance Administrator, for use by the Community Facilities Service, to make purchases and contracts for supplies and services pursuant to title III of the Federal Property and Administrative Services Act of 1949, Public Law 152, 81st Congress, approved June 30, 1949, in connection with school facilities to be provided under this section 204 of Public Law 815 (16 F.R. 1802).

by the formula contained in section 202 except upon application therefor submitted through the appropriate State educational agency and filed before July 1, 1952, with the Commissioner of Education in accordance with regulations prescribed by him. Any such application may either set forth a project for the construction of school facilities for such agency, in accordance with subsection (b), or may contain a request for a reimbursement payment, in accordance with subsection (c). The Commissioner of Education shall take final action with respect to the approval or disapproval of any such application within a reasonable time.

(b) (1) Each application by a local educational agency setting forth a project for the construction of school facilities for such agency shall contain or be supported by—

(A) a description of the project and the site therefor, preliminary drawings of the school facilities to be constructed thereon, and such other information relating to the project as may reasonably be required by the Commissioner;

(B) assurance that such agency has or will have title to the site, or the right to construct upon such site school facilities as specified in the application and to maintain such school facilities on such site for a period of not less than twenty years after the completion of the construction;

(C) assurance that such agency has legal authority to undertake the construction of the project and to finance any non-Federal share of the cost thereof as proposed, and assurance that adequate funds to defray any such non-Federal share will be available when needed;

(D) assurance that such agency will cause work on the project to be commenced within a reasonable time and prosecuted to completion with reasonable diligence;

(E) assurance that the rates of pay for laborers and mechanics engaged in the construction will be not less than the prevailing local wage rates for similar work as determined in accordance with Public Law Numbered 403 of the Seventy-fourth Congress, approved August 30, 1935, as amended;

(F) assurance that the school facilities of such agency will be available to the children for whose education contributions are provided in this Act on the same terms, in accordance with the laws of the State in which the school district of such agency is situated, as they are available to other children in such school district; and

(G) assurance that such agency will from time to time prior to the completion of the project submit such reports relating to the project as the Commissioner may reasonably require.

(2) The Commissioner shall approve the application if he finds (A) that the proposed Federal share of the cost of the project does not exceed so much of the maximum amount which such agency is entitled to receive under section 202 as has not been expended or obligated for payment of the Federal share of the cost of projects of such agency

theretofore approved, (B) that the requirements of paragraph (1) of this subsection have been met, and (C) after consultation with the State and local educational agency, that the project is not inconsistent with over-all State plans for the construction of school facilities.

(c) (1) If, and only if, a local educational agency has provided (or, by reason of a project or projects under this title, will provide) adequate school facilities for the school children for whose education contributions are provided in this title, such agency may file an application containing a request for a reimbursement payment of so much of the maximum amount which such agency is entitled to receive under section 202 as has not been expended or obligated for payment of the Federal share of the cost of the projects of such agency under this title. Any such application shall also contain assurance that the school facilities of such agency will be available to such children on the same terms, in accordance with the laws of the State in which the school district of such agency is situated, as they are available to other children in such school district. In no event shall the reimbursement payment under this subsection exceed the amount expended from local sources since June 30, 1939, for the construction of the school facilities of the local educational agency.

(2) The Commissioner shall approve any application of a local educational agency if he finds that the requirements of paragraph (1) of this subsection have been met.

(d) No application under this title shall be disapproved in whole or in part until the Commissioner of Education has afforded the local educational agency reasonable notice and opportunity for hearing.

CERTIFICATION AND PAYMENT

Sec. 206. (a) Upon approving the application of any local educational agency under section 205 (b), the Commissioner of Education shall certify to the Secretary of the Treasury for payment to such agency an amount equal to 10 per centum of the Federal share of the cost of the project. After final drawings and specifications have been approved by the Commissioner of Education and the construction contract has been entered into, the Commissioner shall certify to the Secretary of the Treasury for payment to such agency, in accordance with regulations prescribed by him and at such times and in such installments as may be reasonable, the remainder of the Federal share of the cost of the project.

(b) Upon approving the application of any local educational agency under section 205 (c), the Commissioner of Education shall certify to the Secretary of the Treasury for payment to such agency an amount equal to the maximum amount which such agency is entitled to receive under section 202 less any amount which such agency has received or will receive under subsection (a) of this section.

(c) For each fiscal year the Commissioner of Education shall determine the portion of the funds appropriated to carry out the purposes

of this title which shall be available for carrying out the provisions of sections 203 and 204. The remainder of such funds shall be available for making payments to local educational agencies for which applications have been approved under subsections (b) and (c) of section 205.

(d) If the Commissioner of Education determines for any fiscal year that the funds which will be available therefor may not be sufficient to pay in full the amounts which all local educational agencies would otherwise be entitled to receive under applications approved under this title before the end of such year, he shall by regulations prescribe (1) a date or dates before which all applications for payments out of such funds shall be filed, and (2) the order in which the certifications required by subsections (a) and (b) of this section will be made. The order so prescribed shall be based on relative urgency of need and shall give applications under section 205 (b) priority over applications under section 205 (c).

(e) The Secretary of the Treasury shall pay to each local educational agency in accordance with the certification of the Commissioner. Any funds paid to a local educational agency and not expended for the purposes for which paid shall be repaid to the Treasury of the United States.

* * *

USE OF OTHER FEDERAL AGENCIES; TRANSFER AND AVAILABILITY OF APPROPRIATIONS

Sec. 209. (a) In carrying out his functions under this Act, the Commissioner of Education may utilize the facilities and services of any Federal department or agency and may delegate the performance of any of his functions to any officer or employee of any Federal department or agency. The Commissioner of Education shall exercise the authority contained in the preceding sentence whenever such exercise will avoid the creation within the Office of Education of a staff and facilities which duplicate existing available staffs and facilities. Any such utilization or delegation shall be pursuant to proper agreement with the Federal department or agency concerned; and payment to cover the cost thereof shall be made either in advance or by way of reimbursement, as may be provided in such agreement.

(b) All Federal departments or agencies administering Federal property on which children reside, and all such departments or agencies principally responsible for Federal activities which may give rise to a need for the construction of school facilities, shall to the maximum extent practicable comply with requests of the Commissioner for information he may require in carrying out the purposes of this Act.

(c) There are hereby authorized to be appropriated for the fiscal year ending June 30, 1951, and for each of the two succeeding fiscal years, such sums as may be necessary to carry out the provisions of this title, including the administration thereof.[1]

[1] See 40-2-3.

There are hereby authorized to be appropriated for the fiscal year ending June 30, 1954, such sums as may be necessary to carry out the provisions of this title other than sections 203 and 204; but such sums (exclusive of any sums appropriated for administration) shall not exceed $55,000,000 in the aggregate. Sums appropriated pursuant to the preceding sentence shall be available for paying unpaid entitlements, but no local educational agency shall be paid from such sums an amount which exceeds 70 per centum of its unpaid entitlement. For the purposes of the preceding sentence, the term "unpaid entitlement" means the amount which the Commissioner would be authorized to pay to a local educational agency from funds appropriated before July 1, 1953, to carry out this title, if such funds were sufficient to make such payment, but which cannot be paid from such funds; except that such amount shall not include any amount to reimburse such agency for any expenditure for construction of school facilities under a contract entered into before September 30, 1950. Sums so appropriated, other than sums appropriated for administration, shall remain available until expended. Not to exceed 10 per centum of the amount so appropriated for any fiscal year (exclusive of any sums appropriated for administration) may be used by the Commissioner, under regulations prescribed by him, to make grants to local educational agencies eligible for payments under section 202, where (1) the application of such agencies would be approved under section 205(b) but for the agencies' inability, unless aided by such grants, to finance the non-Federal share of the cost of the projects set forth in their applications, or (2) although the applications of such agencies have been approved, the projects covered by such applications could not, without such grants, be computed, because of flood, fire, or similar emergency affecting either the work on the projects or the agencies' ability to finance the non-Federal share of the cost of the projects. Such grants shall be in addition to the payments otherwise provided under this title, shall be made to those local educational agencies whose need for additional aid is the most urgent and acute, and insofar as practicable shall be made in the same manner and upon the same terms and conditions as such other payments.

* * *

DEFINITIONS

Sec. 210. For the purposes of this Act—

(1) The term "Federal property" means real property which is owned by the United States or is leased by the United States, and which is not subject to taxation by any State or any political subdivision of a State or by the District of Columbia. Such term includes real property which is owned by the United States and leased therefrom and the improvements thereon, even though the lessee's interest, or any improvement on such property, is subject to taxation by a State or a political subdivision of a State or by the District of Columbia. Such term also includes (A) real property held in trust by the United States for individual Indians or Indian tribes, and real property held by indi-

vidual Indians or Indian tribes which is subject to restrictions on alienation imposed by the United States, and (B) any school which is providing flight training to members of the Air Force under contractual arrangements with the Department of the Air Force at an airport which is owned by a State or a political subdivision of a State. Notwithstanding the foregoing provisions of this paragraph, such term does not include (A) any real property used by the United States primarily for the provision of services to the local area in which such property is situated, (B) any real property used for a labor supply center, labor home, or labor camp for migratory farm workers, or (C) any low-rent housing project held under title II of the National Industrial Recovery Act, the Emergency Relief Appropriation Act of 1935, the United States Housing Act of 1937, the Act of June 28, 1940 (Public Law 671 of the Seventy-sixth Congress), or any law amendatory of or supplementary to any of such Acts.

• • •

(6) The term "current fiscal year" means (A) with respect to an application approved before July 1, 1951, the fiscal year ending June 30, 1951, and (B) with respect to an application approved after June 30, 1951, the fiscal year ending June 30, 1952.

(7) The average per pupil cost of constructing complete or minimum school facilities in the State in which the school district of a local educational agency is situated shall be determined by the Commissioner of Education on the basis of contracts entered into during the fiscal year preceding the fiscal year in which the application is approved. If the Commissioner finds that the information available for the State concerned for such preceding fiscal year is inadequate or not sufficiently representative, he shall determine such cost on the basis of such information as he has available and after consultation with the State educational agency. The cost of constructing minimum school facilities in the school district of a local educational agency shall be determined by the Commissioner, after consultation with the State and local educational agencies, on the basis of such information as may be contained in the application of such local educational agency and such other information as he may obtain.

• • •

(9) The terms "construct", "constructing", and "construction" include the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

(10) The term "school facilities" includes classrooms and related facilities; and initial equipment, machinery, and utilities necessary or appropriate for school purposes. Such term does not include athletic stadia, or structures or facilities intended primarily for athletic exhibitions, contests, or games or other events for which admission is to be charged to the general public. Except as used in sections 203,

204, 309, and 310, such term does not include interests in land and off-site improvements.

(11) School facilities shall be deemed adequate for a given number of children if, under applicable State standards, they are adequate for the full-time education of such number of children. Whether or not school facilities are minimum school facilities shall be determined by the Commissioner, after consultation with the State and local educational agencies, in accordance with regulations prescribed by him.

(12) The term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent, or other school district located within a State. Such term includes any State agency which directly operates and maintains facilities for providing free public education or which has responsibility for the provision of such facilities.

(13) The term "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

(14) The term "State" means a State, Alaska, Hawaii, Puerto Rico, the Virgin Islands, or Wake Island; except that for the purposes of title I the term includes, in addition, the District of Columbia.

(15) The terms "Commissioner of Education" and "Commissioner" mean the United States Commissioner of Education.

(16) For the purposes of title I, the term "school-age population" means that part of the population which is between the ages of five and seventeen, both inclusive, and the school-age population of the several States shall be determined on the basis of the most recent estimates certified by the Department of Commerce; and for such purposes the term "school" means any elementary or secondary school which is tax-supported and publicly administered.

## TITLE III—SCHOOL CONSTRUCTION ASSISTANCE IN AREAS WITH SUBSTANTIAL INCREASES IN FEDERALLY-CONNECTED SCHOOL CHILDREN [1]

### PURPOSE AND APPROPRIATION

SEC. 301. The purpose of this title is to provide assistance for the construction of urgently needed minimum school facilities in school districts which, since the school year 1951-1952, have had substantial increases in school membership as a result of new or increased Federal activities. There are hereby authorized to be appropriated for the fiscal year ending June 30, 1954, and the six succeeding fiscal years such sums as the Congress may determine to be necessary for such purpose. [2]

[1] Title III was added by sec. 1 of Public Law 246, 83d Congress, approved August 8, 1953, 67 Stat. 522, and became effective July 1, 1953.

[2] See 40-2-3 for appropriations for school construction and technical services rendered by other agencies.

PORTION OF APPROPRIATIONS AVAILABLE FOR PAYMENTS

SEC. 302. For each fiscal year the Commissioner shall determine the portion of the funds appropriated pursuant to section 301 which shall be available for carrying out the provisions of sections 309 and 310. The remainder of such funds shall be available for paying to local educational agencies the Federal share of the cost of projects for the construction of school facilities for which applications have been approved under section 306.

ESTABLISHMENT OF PRIORITIES

SEC. 303. The Commissioner shall from time to time set dates, the last of which shall be not later than June 30, 1959, by which applications for payments under this title with respect to construction projects must be filed. If the funds appropriated under this title and remaining available on any such date for payments to local educational agencies are less than the Federal share of the cost of the projects with respect to which applications have been filed prior to such date (and for which funds under this title have not already been obligated), the Commissioner shall by regulation prescribe an order of priority, based on relative urgency of need, for approval of such applications. Only applications meeting the condition for approval under this title (other than section 306(b)(3) shall be considered applications for purposes of the preceding sentence.

FEDERAL SHARE FOR ANY PROJECT

SEC. 304. (a) Subject to section 305 (which imposes limitations on the total of the payments which may be made to any local educational agency), the Federal share of the cost of a project under this title shall be equal to such cost, but in no case to exceed the cost, in the school district of the applicant, of constructing minimum school facilities, and in no case to exceed the cost in such district of constructing minimum school facilities for the estimated number of children who will be in the membership of the schools of such agency at the close of the increase period and who will otherwise be without such facilities at such time. For the purposes of the preceding sentence, the number of such children who will otherwise be without such facilities at such time shall be determined by reference to those facilities which (A) are built or under contract as of the date on which the Commissioner set, under section 303, the earliest date on or before which the application for such project is filed, or (B) as of the date the application for such project is approved, are included in a project for which funds have been set aside under title II or in a project the application for which has been approved under this title.

(b) (1) Where a local educational agency filed an application for payments under this title on or before November 24, 1953, and after that date entered into any construction contract which had the effect of diminishing or eliminating payments to such agency on the basis of the application, the Commissioner shall pay to such agency, out of funds appropriated pursuant to this subsection, an amount equal to

the difference between the amount, if any, reserved on the basis of the application and the amount which would have been reserved on the basis of the application out of funds appropriated by the Supplemental Appropriation Act, 1954, if such funds had been sufficient to permit payments without establishing priorities under section 303.

(2) Payments under this subsection shall be made upon request of the local educational agency involved, filed with the Commissioner within ninety days after the date on which funds are appropriated to make such payments. Except as provided in paragraph (3), such payments shall be made in a lump sum, and shall be made upon condition that the funds paid shall be used solely to finance the construction of school facilities for such agency (including the payment of obligations incurred with respect to school facilities constructed before the enactment of this subsection).

(3) If, as of the date on which funds are appropriated to make payments under this subsection, any agency to which this subsection applies has not provided minimum school facilities (determined by reference to those facilities which, as of such date, are built or under contract, or are included in a project the application for which has been approved under this title) for the estimated number of children who will be in the membership of its schools at the close of the regular school year 1955-1956, its request shall set forth one or more projects for the construction of minimum school facilities for such children, and with respect to such projects shall meet the requirements of section 205 (b) (1). If, and only if, the projects included in its request and approved for payment will provide minimum school facilities for the number of children for whom such facilities have not been provided, as determined under the preceding sentence, the balance, if any, of the amount payable to such agency under this subsection shall be paid to it in accordance with paragraph (2). Upon approval of the request, payments with respect to each project included in the request shall be made under section 307 as if an application for such project had been approved under section 306.

LIMITATION ON TOTAL PAYMENTS TO ANY LOCAL EDUCATIONAL AGENCY

SEC. 305. (a) Subject to the limitations in subsections (c) and (d), the total of the payments to a local educational agency under this title may not exceed the sum of the following:

(1) The estimated increase, since the base year, in the number of children residing on Federal property with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district), multiplied by 95 per centum of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated; and

(2) The estimated increase, since the base year, in the number of children residing on Federal property, or residing with a

parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district), multiplied by 50 per centum of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated. A child of a parent who commenced residing in or near the school district of such an agency while assigned to employment, as a member of the Armed Forces on active duty, on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district) and who was subsequently assigned elsewhere on active duty as a member of the Armed Forces, shall continue to be considered as residing with a parent employed on such Federal property, for purposes of this paragraph and paragraph (1) of this subsection, for so long as the parent is so assigned; and

(3) The estimated increase, since the base year, in the number of children whose membership results directly from activities of the United States (carried on either directly or through a contractor), multiplied by 45 per centum of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated; but this paragraph (3) shall not apply if, within ninety days following the filing by such agency of an application in accordance with regulations prescribed under section 306 (a), the President finds[1] (A) that no portion of the school district is in an area in which a defense plant or installation has been or is to be provided, or an existing defense plant or installation has been or is to be reactivated or its operation substantially expanded, or (B) that no substantial in-migration of defense workers or military personnel is required to carry out activities at any such plant or installation, or (C) after consultation with the Commissioner, that the minimum school facilities required for the free public education of the children of such defense workers or military personnel are available. For purposes of this paragraph, the Commissioner shall not consider as activities of the United States those activities which are carried on in connection with real property excluded from the definition of Federal property by the last sentence of paragraph (1) of section 210, but shall (if the local educational agency so elects pursuant to subsection (b)) consider as children whose membership results directly from activities of the United States children residing on Federal property or residing with a parent employed on Federal property.

In computing for any local educational agency the number of children in an increase under paragraph (1), (2), or (3), the estimated number of children described in such paragraph who will be in the membership of the schools of such agency at the close of the increased

[1] Executive Order 10592, dated January 21, 1955, 20 Fed. Reg. 509, provides that the Secretary of Health, Education, and Welfare is authorized, without the approval, ratification, or other action of the President, to make these findings.

period shall be compared with the estimated number of such children in the average daily membership of the schools of such agency during the base year: *Provided,* That if the Commissioner finds, with respect to a number of such children who during the base year attended school facilities owned by the Federal Government and used by such agency, (A) that such school facilities used for such children can be more appropriately used for different school purposes or are no longer available for school purposes, and (B) that such agency will submit with its application under this title a project to provide school facilities for such children, such children shall be counted as an increase under paragraph (1) or (2) of this subsection as the case may be, and shall be deemed to be without school facilities at the close of the increased period for purposes of section 304 (a).

(b) If two or more of the paragraphs of subsection (a) apply to a child, the local educational agency shall elect which of such paragraphs shall apply to such child.

(c) A local educational agency shall not be eligible to have any amount included in its maximum by reason of paragraph (1), (2), or (3) of subsection (a) unless the increase in children referred to in such paragraph, prior to the application of the limitation in subsection (d), is at least 20 and is equal to at least 5 per centum in the case of paragraph (1) or (2), and 10 per centum in the case of paragraph (3), of the number of all children who were in the average daily membership of the schools of such agency during the base year and unless, in the case of paragraph (3), the construction of additional minimum school facilities for the number of children in such increase will, in the judgement of the Commissioner of Education, impose an undue financial burden on the taxing and borrowing authority of such agency: *Provided,* That children residing on any housing property which, prior to sale or transfer by the United States, was considered to be Federal property for the purposes of this Act, shall not be considered as having been federally connected in determining the eligibility of the local educational agency under this subsection.

(d) If (1) the estimated number of non-Federally-connected children who will be in the membership of the schools of a local educational agency at the close of the increased period is less than (2) 107 per centum of the number of such children who were in the average daily membership of such agency during the base year, the total number of children counted for purposes of subsection (a) with respect to such agency shall be reduced by the difference between (1) and (2) hereof. For purposes of this subsection, all children in the membership of a local educational agency shall be counted as non-Federally-connected children except children whose membership in the base year and the increase period was compared in computing an increase which meets the requirements of subsection (c).

(e) Notwithstanding the provisions of subsections (c) and (d) of this section, whenever and to the extent that, in his judgment, exceptional circumstances exist which make such action necessary to avoid inequity and avoid defeating the purposes of this title, the Commis-

sioner may do any one or more of the following: (1) He may waive or reduce any percentage requirement or requirements in subsection (c); (2) he may waive the requirement contained in the first sentence of subsection (d) or reduce the percentage specified in clause (2) of such sentence.

(f) If—

(1) the first year of the increase period for an application made by a local educational agency constitutes the second year of the increase period for a previous application made by such agency, and

(2) any payment has been or may be made to such agency on the basis of such previous application,

then, in determining under this section the total of the payments which may be made to such agency on the basis of the later application, the total number of children counted for purposes of paragraph (1), (2), or (3), as the case may be, of subsection (a) may not exceed—

(3) the number of children whose membership at the close of the increase period for the later application is compared with membership in the base year for the purposes of such paragraph, minus

(4) the number of such children whose membership at the close of the increase period for the previous application was compared with membership in the base year for purposes of such paragraph.

APPLICATIONS

SEC. 306. (a) No payment may be made to any local educational agency under this title except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him.

(b) The Commissioner shall approve any application if he finds (1) that the requirements of section 205(b)(1) have been met and that approval of the project would not result in payments in excess of those permitted by sections 304 and 305, (2) after consultation with the State and local educational agencies, that the project is not inconsistent with over-all State plans for the construction of school facilities, and (3) that there are sufficient Federal funds available to pay the Federal share of the cost of such project and of all other projects for which Federal funds have not already been obligated and applications for which, under section 303, have a higher priority: *Provided,* That the Commissioner may approve any application for payments under this title at any time after it is filed and before any priority is established with respect thereto under section 303 if he determines that—

(1) on the basis of information in his possession, it is likely that the urgency of the need of the local educational agency is such that it would have a priority under section 303 which would qualify it for payments under this title when such priorities are established, and

(2) the number of children in the increase under section 305 (a) is in large measure attributable to children who reside or will reside in housing newly constructed on Federal property.

(c) No application under this title shall be disapproved in whole or in part until the Commissioner of Education has afforded the local educational agency reasonable notice and opportunity for hearing.

PAYMENTS

SEC. 307. (a) Upon approving the application of any local educational agency under section 306, the Commissioner of Education shall pay to such agency an amount equal to 10 per centum of the Federal share of the cost of the project. After final drawings and specifications have been approved by the Commissioner of Education and the construction contract has been entered into, the Commissioner shall, in accordance with regulations prescribed by him and at such times and in such installments as may be reasonable, pay to such agency the remainder of the Federal share of the cost of the project. Payments under this title shall be made through the disbursing facilities of the Department of the Treasury and prior to audit or settlement by the General Accounting Office.

(b) Any funds paid to a local educational agency under this title and not expended for the purposes for which paid shall be repaid to the Treasury of the United States.

ADDITIONAL PAYMENTS

SEC. 308. (a) Sums appropriated pursuant to this title, other than sums appropriated for administration, shall remain available until expended. Not to exceed 10 per centum of the amount so appropriated for any fiscal year (exclusive of any sums appropriated for administration) may be used by the Commissioner, under regulations prescribed by him, to make grants to local educational agencies where (1) the application of such agencies would be approved under this title but for the agencies' inability, unless aided by such grants, to finance the non-Federal share of the cost of the projects set forth in their applications, or (2) although the applications of such agencies have been approved, the projects covered by such applications could not, without such grants, be completed, because of flood, fire, or similar emergency affecting either the work on the projects or the agencies' ability to finance the non-Federal share of the cost of the projects. Such grants shall be in addition to the payments otherwise provided under this title, shall be made to those local educational agencies whose need for additional aid is the most urgent and acute, and in so far as practicable shall be made in the same manner and upon the same terms and conditions as such other payments.

(b) Where a local educational agency filed an application for payments under this section before June 30, 1954, and such agency met all the requirements established for approval of such application except the 20 per centum requirement as to children countable for pay-

ments under this title (45 C. F. R., 1954 Supp., 107.8 (b) (2)), and the number of children countable for the purposes of such requirement was equal to 10 per centum or more of the average daily membership of such agency for the school year 1953-1954, the Commissioner shall pay to such agency, out of funds appropriated pursuant to this subsection, an amount equal to the amount which would have been reserved on the basis of such application if such requirement had been met. Payments under this subsection shall be made upon application by the local educational agency involved, filed with the Commissioner on or before November 1, 1955, which shall set forth one or more projects for the construction of minimum school facilities for such agency, and shall meet the requirements of section 205 (b) (1) with respect to such projects. Upon approval of an application under this subsection, payments with respect to each project included in the application shall be made under section 307 as if an application for such project had been approved under section 306.

WHERE EFFECT OF FEDERAL ACTIVITIES WILL BE TEMPORARY

SEC. 309. Notwithstanding the preceding provisions of this title, whenever the Commissioner determines that the membership of some or all of the children, who may be included in computing under section 305 the maximum on the total of the payments for any local educational agency, will be of temporary duration only, such membership shall not be included in computing such maximum. Instead, the Commissioner may make available to such agency such temporary school facilities as may be necessary to take care of such membership; or he may, where the local educational agency gives assurance that at least minimum school facilities will be provided for such children, pay (on such terms and conditions as he deems appropriate to carry out the purposes of this title) to such agency for use in constructing school facilities an amount equal to the amount which he estimates would be necessary to make available such temporary facilities. In no case, however, may the amount so paid exceed the cost, in the school district of such agency, of constructing minimum school facilities for such children. The Commissioner may transfer to such agency or its successor all the right, title, and interest of the United States in and to any temporary facilities made available to such agency under this section; any such transfer shall be without charge, but may be made on such other terms and conditions, and at such time, as the Commissioner deems appropriate to carry out the purposes of this title.[1]

CHILDREN FOR WHOM LOCAL AGENCIES ARE UNABLE TO PROVIDE EDUCATION

SEC. 310. In the case of children who, it is estimated, will reside on Federal property on June 30, 1958, or June 30, 1959—

(1) if no tax revenues of the State or any political subdivision thereof may be expended for the free public education of such children; or

[1] Sec. 4 of Public Law 382, 84th Congress, approved August 12, 1955, 69 Stat. 713, which added this sentence, provided that the amendment should apply to any facility made available to a local educational agency either before or after the enactment of Public Law 382. See 10-4.2 p. 6. Sec. 101 Public Law 85-620, 85th Congress, 72 Stat. 548, which rewrote Public Law 815, 81st Congress, continued this authority.

(2) if it is the judgment of the Commissioner, after he has consulted with the appropriate State educational agency, that no local educational agency is able to provide suitable free public education for such children,

the Commissioner shall make arrangements for constructing or otherwise providing the minimum school facilities necessary for the education of such children. To the maximum extent practicable school facilities provided under this section shall be comparable to minimum school facilities provided for children in comparable communities in the State. This section shall not apply (A) to children who reside on Federal property under the control of the Atomic Energy Commission, and (B) to Indian children attending Federally-operated Indian schools. Whenever it will be necessary for the Commissioner to provide school facilities for children residing on Federal property under this section, the membership of such children may not be included in computing under section 305 the maximum on the total of the payments for any local educational agency.

WITHHOLDING OF PAYMENTS

SEC. 311. Whenever the Commissioner of Education, after reasonable notice and opportunity for hearing to a local educational agency, finds (1) that there is a substantial failure to comply with the drawings and specifications for the project, (2) that any funds paid to a local educational agency under this title have been diverted from the purposes for which paid, or (3) that any assurance given in an application is not being or cannot be carried out, the Commissioner may forthwith notify such agency that no further payment will be made under this title with respect to such agency until there is no longer any failure to comply or the diversion or default has been corrected or, if compliance or correction is impossible, until such agency repays or arranges for the repayment of Federal moneys which have been diverted or improperly expended.

BASE YEAR AND INCREASE PERIOD

SEC. 312. For purposes of this title—

(a) In the case of an application filed after June 30, 1956, and before July 1, 1957, (1) the term "base year" means the regular school year 1955-1956, and (2) the term "increase period" means the period consisting of the regular school years 1956-1957 and 1957-1958;

(b) In the case of an application filed after June 30, 1957, and before July 1, 1958, (1) the term "increase period" means the period consisting of the regular school years 1956-1957 and 1957-1958 or the regular school years 1957-1958 and 1958-1959, as may be designated in the application, and (2) the term "base year" means (A) the regular school year 1955-1956 if the increase period includes the regular school year 1956-1957, or (B) the regular school year 1956-1957 if the increase period includes the regular school year 1958-1959; and

(c) In the case of an application filed after June 30, 1958, (1) the term "base year" means the regular school year 1956-1957, and (2)

the term "increase period" means the period consisting of the regular school years 1957-1958 and 1958-1959.

TITLE IV [1]—SCHOOL CONSTRUCTION ASSISTANCE IN OTHER FEDERALLY-AFFECTED AREAS

SEC. 401. (a) If the Commissioner determines with respect to any local educational agency that—

(1) such agency is providing or, upon completion of the school facilities for which provision is made herein, will provide free public education for children who reside on Federal property, and whose membership in the schools of such agency has not formed and will not form the basis for payments under title II or III of this Act, and that the total number of such children represents a substantial percentage of the total number of children for whom such agency provides free public education; or that the total number of such children who reside on Indian lands located outside the school district of such agency equals or exceeds 100;

(2) the immunity of such Federal property to taxation by such agency has created a substantial and continuing impairment of its ability to finance needed school facilities;

(3) such agency is making a reasonable tax effort and is exercising due diligence in availing itself of State and other financial assistance available for the purpose; and

(4) such agency does not have sufficient funds available to it from other Federal, State, and local sources to provide the minimum school facilities required for free public education in its school district,

he may provide the additional assistance necessary to enable such agency to provide such facilities, upon such terms and in such amounts (subject to the provisions of this section) as the Commissioner may consider to be in the public interest; but such additional assistance may not exceed the portion of the cost of such facilities which the Commissioner estimates is attributable to children who reside on Federal property, and which has not been, and is not to be, recovered by the local educational agency from other sources, including payments by the United States under any other provisions of this Act or any other law. Assistance may be furnished under this subsection without regard to paragraph (2) (but subject to the other provisions of this subsection and subsection (c) to any local educational agency which provides free public education for children who reside on Indian lands located outside its school district. For purposes of this subsection "Indian lands" means Indian reservations or other real property referred to in the third sentence of section 210 (1).

(b) There are hereby authorized to be appropriated [2] for the fiscal year ending June 30, 1954, and the five succeeding fiscal years such

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[1] Title IV was added by sec. 1 of Public Law 246, 83d Congress, approved August 8, 1953, 67 Stat. 522, 526, effective July 1, 1953.

[2] See 40-2-3 for appropriations for school construction.

sums, not to exceed $40,000,000 in the aggregate, as may be necessary to carry out the provisions of this section. There are also authorized to be appropriated such sums as may be necessary for administration of such provisions. Amounts so appropriated, other than amounts appropriated for administration, shall remain available until expended, except that after June 30, 1959, no agreement may be made to extend assistance under this section.

(c) No payment may be made to any local educational agency under subsection (a) except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him, and which meets the requirements of section 205(b)(1). In determining the order in which such applications shall be approved, the Commissioner shall consider the relative educational and financial needs of the local educational agencies which have submitted approvable applications and the nature and extent of the Federal responsibility. No payment may be made under subsection (a) unless the Commissioner finds, after consultation with the State and local educational agencies, that the project or projects with respect to which it is made are not inconsistent with over-all State plans for the construction of school facilities. All determinations made by the Commissioner under this section shall be made only after consultation with the appropriate State educational agency and the local educational agency.

(d) Amounts paid by the Commissioner to local educational agencies under subsection (a) may be paid in advance of, or by way of reimbursement for, work performed or purchases made pursuant to the agreement with the Commissioner under this title, and may be paid in such installments as the Commissioner may determine. All such payments shall be made through the disbursing facilities of the Department of the Treasury and prior to audit or settlement by the General Accounting Office. Any funds paid to a local educational agency and not expended or otherwise used for the purposes for which paid shall be repaid to the Treasury of the United States.

Approved September 23, 1950

10. Community Facilities
4. Educational Facilities [1]

## 2. SCHOOL CONSTRUCTION ACT (1958 LAW) [2]

[Public Law 815, 81st Congress, as amended;
64 Stat. 967; 20 U.S.C. 631]

[NOTE: Public Law 85-620, 85th Congress, approved August 12, 1958, (72 Stat. 548), amended and rewrote Public Law 815, 81st Congress [3] and amended Public Law 874, 81st Congress, to make permanent the programs providing financial assistance in the construction and operation of schools in areas affected by Federal activities, insofar as such programs relate to children of persons who reside and work on Federal property, and to extend such programs until June 30, 1961, insofar as such programs relate to other children, and to make certain other changes in these laws.]

* * *

PURPOSE AND APPROPRIATION

SECTION 1. The purpose of this Act is to provide assistance for the construction of urgently needed minimum school facilities in school districts which have had substantial increases in school membership as a result of new or increased Federal activities. There are hereby authorized to be appropriated for the fiscal year ending June 30, 1959, and each fiscal year thereafter, such sums as the Congress may determine to be necessary for such purpose. Sums so appropriated, other than sums appropriated for administration, shall remain available until expended.[4]

PORTION OF APPROPRIATIONS AVAILABLE FOR PAYMENTS

SEC. 2. For each fiscal year the Commissioner shall determine the portion of the funds appropriated pursuant to section 1 which shall be available for carrying out the provisions of sections 9 and 10. The remainder of such funds shall be available for paying to local educational agencies the Federal share of the cost of projects for the construction of school facilities for which applications have been approved under section 6.

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[1] See also Sec. 504, Lanham Act 9-1.1.
[2] See 10-4.1 p. 1 for old law.
See footnote 2, 10-4.1 p. 1 for functions carried out by the Housing Administrator under agreement with the Commissioner of Education.
Housing Administrator's Organizational Order No. 1, 2-1-3, provides that the Administrator's function with respect to school construction shall be administered by the Commissioner of the Community Facilities Administration, a constituent unit of the Housing and Home Finance Agency under the supervision and direction of the Administrator.
[3] Public Law 815, 81st Congress, was rewritten by Sec. 101 of Public Law 85-620; Sec. 102 of this law provides "The amendment made by section 101 shall be effective for the period beginning July 1, 1958, except that such admendment shall not apply in the determination of payments on applications based on the increase period ending with the regular school year 1958-1959, or any prior regular school year."
[4] See 40-2-3 for appropriations for school construction and technical services rendered by other agencies.

ESTABLISHMENT OF PRIORITIES

SEC. 3. The Commissioner shall from time to time set dates by which applications for payments under this Act with respect to construction projects must be filed, except that the last such date with respect to applications for payments on account of children referred to in paragraphs (2) or (3) of section 5(a) shall be not later than June 30, 1966.[1] The Commissioner shall by regulation prescribe an order of priority, based on relative urgency of need, to be followed in approving applications in the event the funds appropriated under this Act and remaining available on any such date for payment to local educational agencies are less than the Federal share of the cost of the projects with respect to which applications have been filed prior to such date (and for which funds under this Act have not already been obligated). Only applications meeting the conditions for approval under this Act (other than section 6(b)(2)(C)) shall be considered applications for purposes of the preceding sentence.

FEDERAL SHARE FOR ANY PROJECT

SEC. 4. Subject to section 5 (which imposes limitations on the total of the payments which may be made to any local educational agency), the Federal share of the cost of a project under this Act shall be equal to such cost, but in no case to exceed the cost, in the school district of the applicant, of constructing minimum school facilities, and in no case to exceed the cost in such district of constructing minimum school facilities for the estimated number of children who will be in the membership of the schools of such agency at the close of the increase period and who will otherwise be without such facilities at such time. For the purposes of the preceding sentence, the number of such children who will otherwise be without such facilities at such time shall be determined by reference to those facilities which (1) are built or under contract as of the date on which the Commissioner set, under section 3, the earliest date on or before which the application for such project was filed, or (2) as of the date the application for such project is approved, are included in a project the application for which has been approved under this Act.

LIMITATION ON TOTAL PAYMENTS TO ANY LOCAL EDUCATIONAL AGENCY

SEC. 5. (a) Subject to the limitations in subsections (c) and (d), the total of the payments to a local educational agency under this Act may not exceed the sum of the following:

(1) the estimated increase, since the base year, in the number of children residing on Federal property with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district), multipled by 95

[1] Sec. 101(a) of Public Law 87-344, approved October 3, 1961, 75 Stat. 759, substituted "1963" for "1961", sec. 31(a) of Public Law 88-210, approved December 18, 1963, 77 Stat. 403, 419, substituted "1965" for "1963", and sec. 1101(a) of Public Law 88-665, approved October 16, 1964, 78 Stat. 1100, 1109, substituted "1966" for "1965".

per centum of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated; and

(2) the estimated increase, since the base year, in the number of children residing on Federal property, or residing with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district), multiplied by 50 per centum of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated. A child of a parent who commenced residing in or near the school district of such an agency while assigned to employment, as a member of the Armed Forces on active duty, on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district) and who was subsequently assigned elsewhere on active duty as a member of the Armed Forces, shall continue to be considered as residing with a parent employed on such Federal property, for purposes of this paragraph and paragraph (1) of this subsection, for so long as the parent is so assigned; and

(3) the estimated increase, since the base year, in the number of children whose membership results directly from activities of the United States (carried on either directly or through a contractor), multiplied by 45 per centum of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated. For purposes of this paragraph, the Commissioner shall not consider as activities of the United States those activities which are carried on in connection with real property excluded from the definition of Federal property by the last sentence of paragraph (1) of section 15, but shall (if the local educational agency so elects pursuant to subsection (b)) consider as children whose membership results directly from activities of the United States children residing on Federal property or residing with a parent employed on Federal property.

In computing for any local educational agency the number of children in an increase under paragraph (1), (2), or (3), the estimated number of children described in such paragraph who will be in the membership of the schools of such agency at the close of the increase period shall be compared with the estimated number of such children in the average daily membership of the schools of such agency during the base year.

(b) If two or more of the paragraphs of subsection (a) apply to a child, the local educational agency shall elect which of such paragraphs shall apply to such child, except that, notwithstanding the election of a local educational agency to have paragraph (2) apply

to a child instead of paragraph (1), the determination of the maximum amount for such agency under subsection (a) shall be made without regard to such election.

(c) A local educational agency shall not be eligible to have any amount included in its maximum by reason of paragraph (1), (2), or (3) of subsection (a) unless the increase in children referred to in such paragraph, prior to the application of the limitation in subsection (d), is at least twenty and is equal to at least 5 per centum in the case of paragraph (1) or (2), and 10 per centum in the case of paragraph (3), of the number of all children who were in the average daily membership of the schools of such agency during the base year, and unless, in the case of paragraph (3), the construction of additional minimum school facilities for the number of children in such increase will, in the judgment of the Commissioner, impose an undue financial burden on the taxing and borrowing authority of such agency: *Provided,* That children residing on any housing property which, prior to sale or transfer by the United States, was considered to be Federal property for the purposes of this Act, shall not be considered as having been federally connected in determining the eligibility of the local educational agency under this subsection.

(d) If (1) the estimated number of nonfederally connected children who will be in the membership of the schools of a local educational agency at the close of the increase period is less than (2) 107 per centum of the number of such children who were in the average daily membership of such agency during the base year, the total number of children counted for purposes of subsection (a) with respect to such agency shall be reduced by the difference between (1) and (2) hereof. For purposes of this subsection, all children in the membership of a local educational agency shall be counted as nonfederally connected children except children whose membership in the base year and increase period was compared in computing an increase which meets the requirements of subsection (c).

(e) Notwithstanding the provisions of subsections (c) and (d) of this section, whenever and to the extent that, in his judgment, exceptional circumstances exist which make such action necessary to avoid inequity and avoid defeating the purposes of this Act, the Commissioner may do any one or more of the following: (1) he may waive or reduce any percentage requirement or requirements in subsection (c); (2) he may waive the requirement contained in the first sentence of subsection (d) or reduce the percentage specified in clause (2) of such sentence.

(f) If—

(1) the first year of the increase period for an application made by a local educational agency constitutes the second year of the increase period for a previous application made by such agency under this Act, or under this Act as in effect January 1, 1958, and

(2) any payment has been or may be made to such agency on the basis of such previous application,

then, in determining under this section the total of the payments which may be made to such agency on the basis of the later application, the total number of children counted for purposes of paragraph (1), (2), or (3), as the case may be, of subsection (a) may not exceed—

(3) the number of children whose membership at the close of the increase period for the later application is compared with membership in the base year for purposes of such paragraphs, minus

(4) the number of such children whose membership at the close of the increase period for the previous application was compared with membership in the base year for purposes of such paragraph.

APPLICATIONS

SEC. 6. (a) No payment may be made to any local educational agency under this Act except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him.

(b) (1) Each application by a local educational agency shall set forth the project for the construction of school facilities for such agency with respect to which it is filed, and shall contain or be supported by—

(A) a description of the project and the site therefor, preliminary drawings of the school facilities to be constructed thereon, and such other information relating to the project as may reasonably be required by the Commissioner;

(B) assurance that such agency has or will have title to the site, or the right to construct upon such site school facilities as specified in the application and to maintain such school facilities on such site for a period of not less than twenty years after the completion of the construction;

(C) assurance that such agency has legal authority to undertake the construction of the project and to finance any non-Federal share of the cost thereof as proposed, and assurance that adequate funds to defray any such non-Federal share will be available when needed;

(D) assurance that such agency will cause work on the project to be commenced within a reasonable time and prosecuted to completion with reasonable diligence;

(E) assurance that the rates of pay for laborers and mechanics engaged in the construction will be not less than the prevailing local wage rates for similar work as determined in accordance with

Public Law Numbered 403 of the Seventy-fourth Congress, approved August 30, 1935, as amended;

(F) assurance that the school facilities of such agency will be available to the children for whose education contributions are provided in this Act on the same terms, in accordance with the laws of the State in which the school district of such agency is situated, as they are available to other children in such school district; and

(G) assurance that such agency will from time to time prior to the completion of the project submit such reports relating to the project as the Commissioner may reasonably require.

(2) The Commissioner shall approve any application if he finds (A) that the requirements of paragraph (1) have been met and that approval of the project would not result in payments in excess of those permitted by sections 4 and 5, (B) after consultation with the State and local educational agencies, that the project is not inconsistent with overall State plans for the construction of school facilities, and (C) that there are sufficient Federal funds available to pay the Federal share of the cost of such project and of all other projects for which Federal funds have not already been obligated and applications for which, under section 3, have a higher priority: *Provided,* That the Commissioner may approve any application for payments under this Act at any time after it is filed and before any priority is established with respect thereto under section 3 if he determines that—

(i) on the basis of information in his possession, it is likely that the urgency of the need of the local educational agency is such that it would have a priority under section 3 which would qualify it for payments under this Act when such priorities are established, and

(ii) the number of children in the increase under section 5(a) is in large measure attributable to children who reside or will reside in housing newly constructed on Federal property.

(c) No application under this Act shall be disapproved in whole or in part until the Commissioner of Education has afforded the local educational agency reasonable notice and opportunity for hearing.

PAYMENTS

SEC. 7. (a) Upon approving the application of any local educational agency under section 6, the Commissioner of Education shall pay to such agency an amount equal to 10 per centum of the Federal share of the cost of the project. After final drawings and specifications have been approved by the Commissioner of Education and the construction contract has been entered into, the Commissioner shall, in accordance with regulations prescribed by him and at such times and in such installments as may be reasonable, pay to such agency the remainder of the Federal share of the cost of the project.

(b) Any funds paid to a local educational agency under this Act and not expended for the purposes for which paid shall be repaid to the Treasury of the United States.

ADDITIONAL PAYMENTS

SEC. 8. Not to exceed 10 per centum of the sums appropriated pursuant to this Act for any fiscal year (exclusive of any sums appropriated for administration) may be used by the Commissioner, under regulations prescribed by him, to make grants to local educational agencies where (1) the application of such agencies would be approved under this Act but for the agencies' inability, unless aided by such grants, to finance the non-Federal share of the cost of the projects set forth in their applications, or (2) although the applications of such agencies have been approved, the projects covered by such applications could not, without such grants, be completed, because of flood, fire, or similar emergency affecting either the work on the projects or the agencies' ability to finance the non-Federal share of the cost of the projects. Such grants shall be in addition to the payments otherwise provided under this Act, shall be made to those local educational agencies whose need for additional aid is the most urgent and acute, and insofar as practicable shall be made in the same manner and upon the same terms and conditions as such other payments.

WHERE EFFECT OF FEDERAL ACTIVITIES WILL BE TEMPORARY

SEC. 9. Notwithstanding the preceding provisions of this Act, whenever the Commissioner determines that the membership of some or all of the children, who may be included in computing under section 5 the maximum on the total of the payments for any local educational agency, will be of temporary duration only, such membership shall not be included in computing such maximum. Instead, the Commissioner may make available to such agency such temporary school facilities as may be necessary to take care of such membership; or he may, where the local educational agency gives assurance that at least minimum school facilities will be provided for such children, pay (on such terms and conditions as he deems appropriate to carry out the purposes of this Act) to such agency for use in constructing school facilities an amount equal to the amount which he estimates would be necessary to make available such temporary facilities. In no case, however, may the amount so paid exceed the cost, in the school district of such agency, of constructing minimum school facilities for such children. The Commissioner may transfer to such agency or its successor all the right, title, and interest of the United States in and to any temporary facilities made available to such agency under this section (or section 309 of this Act as in effect January 1, 1958) [1]; any such transfer shall be without charge, but may be made on such other terms and conditions, and at such time as the Commissioner deems appropriate to carry out the purposes of this Act.

[1] See 10-4.1 p. 16.

CHILDREN FOR WHOM LOCAL AGENCIES ARE UNABLE TO PROVIDE EDUCATION

SEC. 10. In the case of children who it is estimated by the Commissioner in any fiscal year will reside on Federal property at the end of the next fiscal year—

(1) if no tax revenues of the State or any political subdivision thereof may be expended for the free public education of such children; or

(2) if it is the judgment of the Commissioner, after he has consulted with the appropriate State educational agency, that no local educational agency is able to provide suitable free public education for such children,

the Commissioner shall make arrangements for constructing or otherwise providing the minimum school facilities necessary for the education of such children. To the maximum extent practicable school facilities provided under this section shall be comparable to minimum school facilities provided for children in comparable communities in the State. This section shall not apply (A) to children who reside on Federal property under the control of the Atomic Energy Commission, and (B) to Indian children attending federally operated Indian schools. Whenever it is necessary for the Commissioner to provide school facilities for children residing on Federal property under this section, the membership of such children may not be included in computing under section 5 the maximum on the total of the payments for any local educational agency.

WITHHOLDING OF PAYMENTS

SEC. 11. (a) Whenever the Commissioner of Education, after reasonable notice and opportunity for hearing to a local educational agency, finds (1) that there is a substantial failure to comply with the drawings and specifications for the project, (2) that any funds paid to a local educational agency under this Act have been diverted from the purposes for which paid, or (3) that any assurance given in an application is not being or cannot be carried out, the Commissioner may forthwith notify such agency that no further payment will be made under this Act with respect to such agency until there is no longer any failure to comply or the diversion or default has been corrected or, if compliance or correction is impossible, until such agency repays or arranges for the repayment of Federal moneys which have been diverted or improperly expended.

(b) The final refusal of the Commissioner to approve part or all of any application under this Act, and the Commissioner's final action under subsection (a) of this section, shall be subject to judicial review on the record, in the United States court of appeals for the circuit in which the local educational agency is located, in accordance with the provisions of the Administrative Procedure Act.

ADMINISTRATION

SEC. 12. (a) In the administration of this Act, no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the personnel, curriculum, or program of instruction of any school or school system of any local or State educational agency.

(b) The Commissioner of Education shall administer this Act, and he may make such regulations and perform such other functions as he finds necessary to carry out the provisions of this Act.

(c) The Commissioner shall include in his annual report to the Congress a full report of the administration of his functions under this Act, including a detailed statement of receipts and disbursements.

(d) With respect to compliance with and enforcement of the prevailing wage provisions of section 6(b)(1)(E), the Secretary of Labor shall prescribe appropriate standards, regulations, and procedures, which shall be observed by the agencies administering such provisions, and shall cause to be made by the Department of Labor such investigations as he deems desirable.

USE OF OTHER FEDERAL AGENCIES; [1] TRANSFER AND AVAILABILITY OF APPROPRIATIONS

SEC. 13. (a) The Commissioner may delegate to any officer or employee of the Office of Education any of his functions under this Act, except the making of regulations. In carrying out his functions under this Act, the Commissioner of Education may also utilize the facilities and services of any other Federal department or agency and may delegate the performance of any of his functions, except the making of regulations, to any officer or employee of any other Federal department or agency. The Commissioner of Education shall exercise the authority contained in the preceding sentence whenever such exercise will avoid the creation within the Office of Education of a staff and facilities which duplicate existing available staffs and facilities. Any such utilization or delegation shall be pursuant to proper agreement with the Federal department or agency concerned; and payment to cover the cost thereof shall be made either in advance or by way of reimbursement, as may be provided in such agreement. Any delegation of functions or authority authorized under this section will not relieve the Commissioner of the responsibility placed on him by this Act.

(b) All Federal departments or agencies administering Federal property on which children reside, and all such departments or agencies principally responsible for Federal activities which may give rise to a need for the construction of school facilities, shall to the maximum extent practicable, comply with requests of the Commissioner for information he may require in carrying out the purposes of this Act.

[1] See footnote 10-4.1 p. 1 for agreement between Commissioner of Education and Housing Administrator and delegation from Housing Administrator to Commissioner of the Community Facilities Administration.
See 40-2-3 for appropriations for technical services rendered by other agencies.

(c) No appropriation to any department or agency of the United States, other than an appropriation to carry out this Act, shall be available for the same purpose as this Act; except that nothing in this subsection shall affect the availability of appropriations authorized, prior to September 23, 1950, for the construction of school facilities to be attended by Indian children or appropriations (1) for the construction of school facilities on Federal property under the control of the Atomic Energy Commission, (2) for the construction of school facilities which are to be federally operated for Indian children, or (3) for the construction of school facilities under the Alaska Public Works Act, approved August 24, 1949.

SCHOOL CONSTRUCTION ASSISTANCE IN OTHER FEDERALLY-AFFECTED AREAS

SEC. 14. (a) If the Commissioner determines with respect to any local educational agency that—

(1) such agency is providing or, upon completion of the school facilities for which provision is made herein, will provide free public education for children who reside on Federal property, and whose membership in the schools of such agency has not formed and will not form the basis for payments under other provisions of this Act, and that the total number of such children represents a substantial percentage of the total number of children for whom such agency provides free public education or that the total number of such children who reside on Indian lands located outside the school district of such agency equals or exceeds 100;

(2) the immunity of such Federal property to taxation by such agency has created a substantial and continuing impairment of its ability to finance needed school facilities;

(3) such agency is making a reasonable tax effort and is exercising due diligence in availing itself of State and other financial assistance available for the purpose; and

(4) such agency does not have sufficient funds available to it from other Federal, State, and local sources to provide the minimum school facilities required for free public education in its school district,

he may provide the additional assistance necessary to enable such agency to provide such facilities, upon such terms and in such amounts (subject to the provisions of this section) as the Commissioner may consider to be in the public interest; but such additional assistance may not exceed the portion of the cost of such facilities which the Commissioner estimates is attributable to children who reside on Federal property, and which has not been, and is not to be, recovered by the local educational agency from other sources, including payments by the United States under any other provisions of this Act or any other law. Notwithstanding the provisions of this subsection, the Commissioner may waive the percentage requirement in paragraph (1) in the case of any application for additional assistance on account of

children who reside on Indian lands whenever, in his judgment, exceptional circumstances exist which make such action necessary to avoid inequity and avoid defeating the purposes of this section. Assistance may be furnished under this subsection without regard to paragraph (2) (but subject to the other provisions of this subsection and subsection (c)) to any local educational agency which provides free public education for children who reside on Indian lands located outside its school district. For purposes of this subsection 'Indian lands' means Indian reservations or other real property referred to in the third sentence of section 15(1).

(b) There are hereby authorized to be appropriated for each fiscal year ending prior to July 1, 1966,[1] such sums, not to exceed $60,000,000 [2] in the aggregate, as may be necessary to carry out the provisions of this section. There are also authorized to be appropriated such sums as may be necessary for administration of such provisions. Amounts so appropriated, other than amounts appropriated for administration, shall remain available until expended, except that after June 30, 1966,[1] no agreement may be made to extend assistance under this section.

(c) No payment may be made to any local educational agency under subsection (a) except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him, and which meets the requirements of section 6(b)(1). In determining the order in which such applications shall be approved, the Commissioner shall consider the relative educational and financial needs of the local educational agencies which have submitted approvable applications and the nature and extent of the Federal responsibility. No payment may be made under subsection (a) unless the Commissioner finds, after consultation with the State and local educational agencies, that the project or projects with respect to which it is made are not inconsistent with over-all State plans for the construction of school facilities. All determinations made by the Commissioner under this section shall be made only after consultation with the appropriate State educational agency and the local educational agency.

(d) Amounts paid by the Commissioner to local educational agencies under subsection (a) may be paid in advance of, or by way of reimbursement for, work performed or purchases made pursuant to the agreement with the Commissioner under this section, and may be paid in such installments as the Commissioner may determine. Any funds paid to a local educational agency and not expended or otherwise used for the purposes for which paid shall be repaid to the Treasury of the United States.

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[1] Sec. 101(b) of Public Law 87-344, approved October 3, 1961, 75 Stat. 759, substituted "1963" for "1961", sec. 31(b) of Public Law 88-210, approved December 18, 1963, 77 Stat. 403, 419, substituted "1965" for "1963", and sec. 1101(b) of Public Law 88-665, approved October 16, 1964, 78 Stat. 1100, 1109, substituted "1966" for "1965".

[2] Sec. 101(b) of Public Law 87-344, approved October 3, 1961, 75 Stat. 759, substituted "$60,000,000" for "$40,000,000."

(e) None of the provisions of sections 1 to 10, both inclusive, other than section 6(b)(1), shall apply with respect to determinations made under this section.

DEFINITIONS

SEC. 15. For the purposes of this Act—

(1) The term 'Federal property' means real property which is owned by the United States or is leased by the United States, and which is not subject to taxation by any State or any political subdivision of a State or by the District of Columbia. Such term includes real property which is owned by the United States and leased therefrom and the improvements thereon, even though the lessee's interest, or any improvement on such property, is subject to taxation by a State or a political subdivision of a State or by the District of Columbia. Except for the purposes of section 10, such term also includes (A) real property held in trust by the United States for individual Indians or Indian tribes, and real property held by individual Indians or Indian tribes which is subject to restrictions on alienation imposed by the United States, and (B) any school which is providing flight training to members of the Air Force under contractual arrangements with the Department of the Air Force at an airport which is owned by a State or a political subdivision of a State. Notwithstanding the foregoing provisions of this paragraph, such term does not include (A) any real property used by the United States primarily for the provision of services or benefits to the local area in which such property is situated, (B) any real property used for a labor supply center, labor home, or labor camp for migratory farm workers, (C) any real property under the jurisdiction of the Post Office Department and used primarily for the provision of postal services, or (D) any low-rent housing project held under title II of the National Industrial Recovery Act, the Emergency Relief Appriation Act of 1935, the United States Housing Act of 1937, the Act of June 28, 1940 (Public Law 671, Seventy-sixth Congress), or any law amendatory of or supplementary to any of such Acts.

(2) The term 'child' means any child who is within the age limits for which the applicable State provides free public education.

(3) The term 'parent' includes a legal guardian or other person standing in loco parentis.

(4) The term 'free public education' means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State.

(5) The membership of schools shall be determined in accordance with State law or, in the absence of State law governing such a determination, in accordance with regulations of the Commissioner; except that, notwithstanding any other provision of this Act, where the local educational agency of the school district in which any child resides

makes or contracts to make a tuition payment for the free public education of such child in a school situated in another school district, for purposes of this Act the membership of such child, shall be held and considered—

(A) if the two local educational agencies concerned so agree, and if such agreement is approved by the Commissioner, as membership of a school of the local educational agency receiving such tuition payment;

(B) in the absence of any such approved agreement, as membership of a school of the local educational agency so making or contracting to make such tuition payment.

In any determination of membership of schools, children who are not provided free public education (as defined in paragraph (4)) shall not be counted.

(6) The average per pupil cost of constructing minimum school facilities in the State in which the school district of a local educational agency is situated shall be determined by the Commissioner of Education on the basis of the contract cost per square foot under contracts for the construction of school facilities (exclusive of costs of site improvements, equipment, and architectual, engineering, and legal fees) entered into in the State for the base year designated in the application, increased by a percentage estimated by the Commissioner to represent additional costs for site improvements, equipment, and architectural, engineering, and legal fees, and multiplied by a factor estimated by the Commissioner to represent the area needed per pupil in minimum school facilities. If the Commissioner finds that the information available for the State concerned for such preceding fiscal year is inadequate or not sufficiently representative, he shall determine such cost on the basis of such information as he has available and after consultation with the State educational agency. The cost of constructing minimum school facilities in the school district of a local educational agency shall be determined by the Commissioner, after consultation with the State and local educational agencies, on the basis of such information as may be contained in the application of such local educational agency and such other information as he may obtain.

(7) Estimates of membership, and all other determinations with respect to eligibility and maximum amount of payment, shall be made as of the time of the approval of the application for which made, and shall be made on the basis of the best information available at the time of such approval.

(8) The terms 'construct', 'constructing', and 'construction' include the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

(9) The term 'school facilities' includes classrooms and related facilities; and initial equipment, machinery, and utilities necessary or appropriate for school purposes. Such term does not include athletic stadiums, or structures or facilities intended primarily for athletic exhibitions, contests, or games or other events for which admission is to be charged to the general public. Except as used in sections 9 and 10, such term does not include interests in land and off-site improvements.

(10) Whether or not school facilities are minimum school facilities shall be determined by the Commissioner, after consultation with the State and local educational agencies, in accordance with regulations prescribed by him.

(11) The term 'local educational agency' means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent, or other school district located within a State. Such term includes any State agency which directly operates and maintains facilities for providing free public education or which has responsibility for the provision of such facilities.

(12) The term 'State educational agency' means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

(13) The term 'State' means a State,[1] Puerto Rico, Guam, the[2] District of Columbia, the Virgin Islands, or Wake Island.

(14) The terms 'Commissioner of Education' and 'Commissioner' mean the United States Commissioner of Education.

(15) The term 'base wear' means the regular school year preceding the fiscal year in which an application was filed under this Act or the regular school year preceding such school year, as may be designated in the application, except that in the case of an application based on children referred to in paragraph (2) or (3) of section 5(a), the base year shall in no event be later than the regular school year 1963-1964;[3] and

(16) The term 'increase period' means the period of two consecutive regular school years immediately following such base year.

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[1] Sec. 18(c), Alaska Omnibus Act, Public Law 86-70, approved June 25, 1959, 73 Stat. 141, 144, deleted "Alaska," and sec. 14(c), Hawaii Omnibus Act, Public Law 86-624, approved July 12, 1960, 74 Stat. 411, 414, deleted "Hawaii.".

[2] Sec. 1101(c) of Public Law 88-665, approved October 16, 1964, 78 Stat. 1100, 1109, added "the District of Columbia,".

[3] Sec. 101(c) of Public Law 87-344, approved October 3, 1961, 75 Stat. 759, substituted "1960-1961" for "1958-1959," sec. 31(c) of Public Law 88-210, approved December 18, 1963, 77 Stat. 403, 419, substituted "1962-1963" for "1960-1961", and sec. 1101(d) of Public Law 88-665, approved October 16, 1964, 78 Stat. 1100, 1109, substituted "1963-1964" for "1962-1963".

10. Community Facilities

4. Higher Educational Facilities—Grants and Loans

# 3. AUTHORIZATION—EXCERPTS FROM HIGHER EDUCATION FACILITIES ACT OF 1963 [1]

[Public Law 88-204, 77 Stat. 363]

* * *

FINDINGS AND DECLARATION OF POLICY

SEC. 2. The Congress hereby finds that the security and welfare of the United States require that this and future generations of American youth be assured ample opportunity for the fullest development of their intellectual capacities, and that this opportunity will be jeopardized unless the Nation's colleges and universities are encouraged and assisted in their efforts to accommodate rapidly growing numbers of youth who aspire to a higher education. The Congress further finds and declares that these needs are so great and these steps so urgent that it is incumbent upon the Nation to take positive and immediate action to meet these needs through assistance to institutions of higher education, including graduate and undergraduate institutions, junior and community colleges, and technical institutes, in providing certain academic facilities.

## TITLE I—GRANTS FOR CONSTRUCTION OF UNDERGRADUATE ACADEMIC FACILITIES

APPROPRIATIONS AUTHORIZED [2]

SEC. 101. (a) The Commissioner of Education (hereinafter in this Act referred to as the "Commissioner") shall carry out during the fiscal year ending June 30, 1964, and each of the four succeeding fiscal years, a program of grants to institutions of higher education for the construction of academic facilities in accordance with this title.

(b) For the purpose of making grants under this title, there is hereby authorized to be appropriated the sum of $230,000,000 for the

[1] Under agreement with the Commissioner of Education, the HHFA provides technical services under the direction of the Community Facilities Administration in the administration of the Higher Education Facilities Act of 1963. The HHFA reviews project applications, insofar as architectural and engineering plans and cost estimates are concerned, and submits reports on each such project; in any case where the project is found to be defective in its architectural and engineering aspects, the HHFA provides such technical assistance as requested by the Commissioner to enable the applicant to remedy the defects. On approved projects the HHFA provides guidance to the applicant concerning pre-construction procedures; reviews detailed plans, specifications, and equipment lists for conformance with those on which project approval was based; reviews proposed final construction contract documents. After execution of construction contracts, the HHFA carries out a schedule of on-site inspections. Upon completion of each construction project, the Agency inspects the facility to determine whether the project has been completed in accordance with requirements, and prepares and transmits to the Commissioner a report of project completion. This agreement is to continue in force from year to year until cancelled by mutual agreement, or by either party, upon 90 days written notice.

[2] See 40-1 (1965)-8 for appropriations for grants under Title I.

fiscal year ending June 30, 1964, and each of the two succeeding fiscal years; but for the fiscal year ending June 30, 1967, and the succeeding fiscal year, only such sums may be appropriated as the Congress may hereafter authorize by law. In addition to the sums authorized to be appropriated under the preceding sentence, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1965, and the succeeding fiscal year, for making such grants the difference (if any) between the sums authorized to be appropriated under the preceding sentence for preceding fiscal years and the aggregate of the sums which were appropriated for such preceding years under such sentence.

(c) Sums appropriated pursuant to subsection (b) of this section shall remain available for reservation as provided in section 109 until the close of the fiscal year next succeeding the fiscal year for which they were appropriated.

ALLOTMENTS

SEC. 102. Of the funds appropriated pursuant to section 101 for any fiscal year, 22 per centum shall be allotted among the States in the manner prescribed by section 103 for use in providing academic facilities for public community colleges and public technical institutes. The remainder of the funds so appropriated shall be alloted among the States in the manner as prescribed in section 104 for use in providing academic facilities for institutions of higher education other than public community colleges and public technical institutes.

ALLOTMENTS TO STATES FOR PUBLIC COMMUNITY COLLEGES AND PUBLIC TECHNICAL INSTITUTES

SEC. 103. (a) The funds to be alloted for any fiscal year for use in providing academic facilities for public community colleges and public technical institutes shall be allotted among the States on the basis of the income per person and the number of high school graduates of the respective States. Such allotments shall be made as follows: The Commissioner shall allot to each State for each fiscal year an amount which bears the same ratio to the funds being allotted as the product of—

(1) the number of high school graduates of the State, and

(2) the State's allotment ratio (as determined under subsection (d))

bears to the sum of the corresponding products for all the States.

(b) The amount of each allotment to a State under this section shall be available, in accordance with the provisions of this title, for payment of the Federal share (as determined under sections 108(b)(3) and 401(d)) of the development cost of approved projects for the construction of academic facilities within such State for public community colleges and public technical institutes. Sums allotted to a State for the fiscal year ending June 30, 1964, shall remain available for reservation

as provided in section 109 until the close of the next fiscal year, in addition to the sums allotted to such State for such next fiscal year.

(c) All amounts allotted under this section for the fiscal year ending June 30, 1965, and the succeeding fiscal year, which are not reserved as provided in section 109 by the close of the fiscal year for which they are allotted, shall be reallotted by the Commissioner, on the basis of such factors as he determines to be equitable and reasonable, among the States which, as determined by the Commissioner, are able to use without delay any amounts so reallotted for providing academic facilities for public community colleges or public technical institutes. Amounts reallotted under this subsection shall be available for reservation until the close of the fiscal year next succeeding the fiscal year for which they were originally allotted.

(d) For purposes of this section—

(1) The "allotment ratio" for any State shall be 1.00 less the product of (A) .50 and (B) the quotient obtained by dividing the income per person for the State by the income per person for all the States (not including Puerto Rico, the Virgin Islands, American Samoa, and Guam), except that (i) the allotment ratio shall in no case be less than .33⅓ or more than .66⅔, (ii) the allotment ratio for Puerto Rico, the Virgin Islands, American Samoa, and Guam shall be .66⅔, and (iii) the allotment ratio of any State shall be .50 for any fiscal year if the Commissioner finds that the cost of school construction in such State exceeds twice the median of such costs in all the States as determined by him on the basis of an index of the average per pupil cost of constructing minimum school facilities in the States as determined for such fiscal year [1] under section 15(6) of the Act of September 23, 1950, as amended (20 U.S.C. 645), or, in the Commissioner's discretion, on the basis of such index and such other statistics and data as the Commissioner shall deem adequate and appropriate; and

(2) The allotment ratios shall be promulgated by the Commissioner as soon as possible after enactment of this Act, and annually thereafter, on the basis of the average of the incomes per person of the States and of all the States for the three most recent consecutive calendar years for which satisfactory data are available from the Department of Commerce.

(3) The term "high school graduate" means a person who has received formal recognition (by diploma, certificate, or similar means) from an approved school for successful completion of four years of education beyond the first eight years of schoolwork, or for demonstration of equivalent achievement. For the purposes of this section the number of high school graduates shall be limited to the number who graduated in the most recent school year for which satisfactory data are available from the Department of Health, Education, and Welfare. The interpretation of the definition of

[1] See 10-4.2.

"high school graduate" shall fall within the authority of the Commissioner.

ALLOTMENTS TO STATES FOR INSTITUTIONS OF HIGHER EDUCATION OTHER THAN PUBLIC COMMUNITY COLLEGES AND PUBLIC TECHNICAL INSTITUTES

SEC. 104. (a) Of the funds to be allotted for any fiscal year for use in providing academic facilities for institutions of higher education other than public community colleges and public technical institutes (1) one-half shall be allotted by the Commissioner among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-half as the number of students enrolled in institutions of higher education in such State bears to the total number of students enrolled in such institutions in all the States; and (2) the remaining one-half shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such remainder as the number of students enrolled in grades nine to twelve (both inclusive) of schools in such State bears to the total number of students in such grades in schools in all the States. For the purposes of this subsection, (A) the number of students enrolled in institutions of higher education shall be deemed to be equal to the sum of (i) the number of full-time students and (ii) the full-time equivalent of the number of part-time students as determined by the Commissioner in accordance with regulations; and (B) determinations as to enrollment under either clause (1) or clause (2) of this subsection shall be made by the Commissioner on the basis of data for the most recent year for which satisfactory data with respect to such enrollment are available to him.

(b) The amount of each allotment to a State under this section shall be available, in accordance with the provisions of this title, for payment of the Federal share (as determined under sections 108(b)(3) and 401(d)) of the development cost of approved projects for the construction of academic facilities within such State for institutions of higher education other than public community colleges and public technical institutes. Sums allotted to a State for the fiscal year ending June 30, 1964, shall remain available for reservation as provided in section 109 until the close of the next fiscal year, in addition to the sums allotted to such State for such next fiscal year.

(c) All amounts allotted under this section for the fiscal year ending June 30, 1965, and the succeeding fiscal year, which are not reserved as provided in section 109 by the close of the fiscal year for which they are allotted, shall be reallotted by the Commissioner, on the basis of such factors as he determines to be equitable and reasonable, among the States which, as determined by the Commissioner, are able to use without delay any amounts so reallotted for providing academic facilities for institutions of higher education other than public community colleges and public technical institutes. Amounts reallotted under this subsection shall be available for reservation until the close of the fiscal

year next succeeding the fiscal year for which they were originally allotted.

* * *

ELIGIBILITY FOR GRANTS

SEC. 106. An institution of higher education shall be eligible for a grant for construction of an academic facility under this title (1) in the case of an institution of higher education other than a public community college or public technical institute, only if such construction is limited to structures, or portions thereof, especially designed for instruction or research in the natural or physical sciences, mathematics, modern foreign languages, or engineering, or for use as a library, and (2) only if such construction will, either alone or together with other construction to be undertaken within a reasonable time, (A) result in an urgently needed substantial expansion of the institution's student enrollment capacity, or (B) in the case of a new institution of higher education, result in creating urgently needed enrollment capacity.

BASIC CRITERIA FOR DETERMINING PRIORITIES AND FEDERAL SHARE

SEC. 107. (a) As soon as practicable after the enactment of this Act the Commissioner shall by regulation prescribe basic criteria to which the provisions of State plans setting forth standards and methods for determining relative priorities of eligible construction projects, and the application of such standards and methods to such projects under such plans, shall be subject. Such basic criteria (1) shall be such as will best tend to achieve the objectives of this title while leaving opportunity and flexibility for the development of State plan standards and methods that will best accommodate the varied needs of institutions in the several States, and (2) shall give special consideration to expansion of undergraduate enrollment capacity. Subject to the foregoing requirements, such regulations may establish additional and appropriate basic criteria, including provision for considering the degree to which applicant institutions are effectively utilizing existing facilities, provision for allowing State plans to group or provide for grouping, in a reasonable manner, facilities or institutions according to functional or educational type for priority purposes, and, in view of the national objectives of this Act, provision for considering the degree to which the institution serves students from two or more States or from outside the United States; and in no event shall an institution's readiness to admit such out-of-State students be considered as a priority factor adverse to such institution.

(b) The Commissioner shall further prescribe by regulation the basic criteria for determining the Federal share of the development cost of any eligible project under this title within a State other than a project for a public community college or public technical institute, to which criteria the applicable standards and methods set forth in the State plan for such State shall conform in the absence of a uniform statewide Federal share specified in or pursuant to such plan. In the

case of a project for an institution of higher education other than a public community college or public technical institute, the Federal share shall in no event exceed 33⅓ per centum of its development cost; and in the case of a project for a public community college or public technical institute, the Federal share shall be 40 per centum of its development cost.

(c) Section 4 of the Administrative Procedure Act shall apply to the prescription of regulations under this section, notwithstanding the provisions of clause (2) thereof.

* * *

## TITLE II—GRANTS FOR CONSTRUCTION OF GRADUATE ACADEMIC FACILITIES

### APPROPRIATIONS AUTHORIZED [1]

SEC. 201. In order to increase the supply of highly qualified personnel critically needed by the community, industry, government, research, and teaching, the Commissioner shall, during the fiscal year ending June 30, 1964, and each of the four succeeding fiscal years, make construction grants to assist institutions of higher education to improve existing graduate schools and cooperative graduate centers, and to assist in the establishment of graduate schools and cooperative graduate centers of excellence. For the purpose of making grants under this title, there is hereby authorized to be appropriated the sum of $25,000,000 for the fiscal year ending June 30, 1964, and the sum of $60,000,000 each for the fiscal year ending June 30, 1965, and the succeeding fiscal year; but for the fiscal year ending June 30, 1967, and the succeeding fiscal year, only such sums may be appropriated as the Congress may hereafter authorize by law. Sums so appropriated for the fiscal year ending June 30, 1964, shall remain available for grants under this title until the end of the next succeeding fiscal year.

### GRANTS

SEC. 202. (a) Grants under this title may be made to institutions of higher education and to cooperative graduate center boards to assist them to meet the development costs for projects for construction of academic facilities for graduate schools and cooperative graduate centers. Such grants may be made only upon application therefor at such time or times, in such manner, and containing or accompanied by such information as the Commissioner finds necessary to determine eligibility for the grants and the amounts thereof.

(b) Grants under this title for construction of academic facilities may not exceed 33⅓ per centum of the development cost of any such construction project.

(c)(1) The Commissioner shall not approve any application for a grant under this title without the advice of the Advisory Committee established under section 203.

[1] See 40-1(1965)-8 for appropriations for grants under Title II.

(2) In determining whether to approve applications for grants under this title, the order in which to approve such applications, and the amount of the grants, the Commissioner shall give consideration to the extent to which such projects will contribute to achieving the objectives of this title and also the extent to which they will aid in attaining a wider distribution throughout the United States of graduate schools and cooperative graduate centers.

(d) Notwithstanding the other provisions of this title the total of the payments from the appropriations for any fiscal year under this title made with respect to projects in any State may not exceed an amount equal to 12½ per centum of such appropriation.

ADVISORY COMMITTEE

SEC. 203. (a) There is hereby established in the Office of Education an Advisory Committee on Graduate Education, consisting of the Commissioner, who shall be Chairman; one representative from the Office of Science and Technology in the Executive Office of the President; one from the National Science Foundation; and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary of Health, Education, and Welfare. Such appointed members shall be selected from leading authorities in the field of education, at least three of whom shall be from the field of the humanities, with at least one of these three from a graduate school of education.

(b) The Advisory Committee shall advise the Commissioner (1) on the action to be taken with regard to each application for a grant under this title, and (2) in the preparation of general regulations and with respect to policy matters arising in the administration of this title, including the development of criteria for approval of applications thereunder. The Advisory Committee may appoint such special advisory and technical experts and consultants as may be useful in carrying out its functions.

* * *

## TITLE III—LOANS [1] FOR CONSTRUCTION OF ACADEMIC FACILITIES

LENDING AUTHORITY

SEC. 301. The Commissioner may, in accordance with the provisions of this title, make loans to institutions of higher education or to higher education building agencies for construction of academic facilities.

LOAN LIMIT FOR ANY STATE

SEC. 302. Not more than 12½ per centum of the funds provided for in this title in the form of loans shall be used for loans to institutions of higher education or higher education building agencies within any one State.

[1] See 40-1(1965)-8 for appropriations for loans under Title III.

ELIGIBILITY CONDITIONS, AMOUNTS, AND TERMS OF LOANS

SEC. 303. (a) No loan pursuant to this title shall be made unless the Commissioner finds (1) that not less than one-fourth of the development cost of the facility will be financed from non-Federal sources, (2) that the applicant is unable to secure the amount of such loan from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title, and (3) that the construction will be undertaken in an economical manner and that it will not be of elaborate or extravagant design or materials.

(b) A loan pursuant to this title shall be secured in such manner, and shall be repaid within such period not exceeding fifty years, as may be determined by the Commissioner; and shall bear interest at a rate determined by the Commissioner which shall not be less than a per annum rate that is one-quarter of 1 percentage point above the average annual interest rate on all interest-bearing obligations of the United States forming a part of the public debt as computed at the end of the preceding fiscal year, adjusted to the nearest one-eighth of 1 per centum.

(c) The Commissioner shall, during the fiscal year ending June 30, 1964, and each of the four succeeding fiscal years, make loans to institutions of higher education for the construction of academic facilities in accordance with the provisions of this title. For the purpose of making loans under this title, there is hereby authorized to be appropriated the sum of $120,000,000 for the fiscal year ending June 30, 1964, and each of the two succeeding fiscal years; but for the fiscal year ending June 30, 1967, and the succeeding fiscal year, only such sums may be appropriated as the Congress may hereafter authorize by law. In addition to the sums authorized to be appropriated under the preceding sentence, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1965, and the succeeding fiscal year, for making such loans the difference (if any) between the sums authorized to be appropriated under the preceding sentence for preceding fiscal years and the aggregate of the sums which were appropriated for such preceding years under such sentence.

GENERAL PROVISIONS FOR LOAN PROGRAM

SEC. 304. (a) Such financial transactions of the Commissioner as the making of loans and vouchers approved by the Commissioner in connection with such financial transactions, except with respect to administrative expenses, shall be final and conclusive on all officers of the Government.

(b) The Commissioner is authorized (1) to prescribe a schedule of fees which, in his judgment, would be adequate in the aggregate to cover necessary expenses of making inspections (including audits) and providing representatives at the site of projects in connection with loans under this title, and (2) to condition the making of such loans on agreement by the applicant to pay such fees. For the purpose of providing such services, the Commissioner may, as authorized by section 402(b),

utilize any agency, and such agency may accept reimbursement or payment for such services from such applicant or from the Commissioner, and shall, if a Federal agency, credit such amounts to the appropriation or fund against which expenditures by such agency for such services have been charged.

(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Commissioner may—

(1) prescribe such rules and regulations as may be necessary to carry out the purposes of this title;

(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this title without regard to the amount in controversy, and any action instituted under this subsection by or against the Commissioner shall survive notwithstanding any charge in the person occupying the office of Commissioner or any vacancy in such office; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this title from the application of sections 507(b) and 2679 of title 28 of the United States Code and of section 367 of the Revised Statutes (5 U.S.C. 316);

(3) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any property in connection with which he has made a loan pursuant to this title; and, in the event of any such acquisition (and notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States), complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property: *Provided,* That any such acquistion of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

(4) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

(5) subject to the specific limitations in this title, consent to the modification, with respect to the rate of interest, time of payment of any installment of principal or interest, security, or any other term of any contract or agreement to which he is a party or which has been transferred to him pursuant to this section; and

(6) include in any contract or instrument made pursuant to this

title such other covenants, conditions, or provisions (including provisions designed to assure against use of the facility, constructed with the aid of a loan under this title, for purposes described in section 401(a)(2)) as he may deem necessary to assure that the purposes of this title will be achieved.

## TITLE IV—GENERAL PROVISIONS

### DEFINITIONS

SEC. 401. As used in this Act—

(a)(1) Except as provided in subparagraph (2) of this paragraph, the term "academic facilities" means structures suitable for use as classrooms, laboratories, libraries, and related facilities necessary or appropriate for instruction of students, or for research, or for administration of the educational or research programs, of an institution of higher education, and maintenance, storage, or utility facilities essential to operation of the foregoing facilities.

(2) The term "academic facilities" shall not include (A) any facility intended primarily for events for which admission is to be charged to the general public, or (B) any gymnasium or other facility specially designed for athletic or recreational activities, other than for an academic course in physical education or where the Commissioner finds that the physical integration of such facilities with other academic facilities included under this Act is required to carry out the objectives of this Act, or (C) any facility used or to be used for sectarian instruction or as a place for religious worship, or (D) any facility which (although not a facility described in the preceding clause) is used or to be used primarily in connection with any part of the program of a school or department of divinity, or (E) any facility used or to be used by a "school of medicine", "school of dentistry", "school of osteopathy", "school of pharmacy", "school of optometry", "school of podiatry", "school of nursing", or "school of public health", as defined in section 724 of the Public Health Service Act. For the purposes of this subparagraph, the term "school or department of divinity" means an institution, or a department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects.

(b)(1) The term "construction" means (A) erection of new or expansion of existing structures, and the acquisition and installation of initial equipment therefor; or (B) acquisition of existing structures not owned by the institution involved; or (C) rehabilitation, alteration, conversion, or improvement (including the acquisition and installation of initial equipment, or modernization or replacement of built-in equipment) of existing structures; or (D) a combination of any two or more of the foregoing.

(2) The term "equipment" includes, in addition to machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, all other items necessary for the functioning of a particular facility as an academic facility, including necessary furniture, except books, curricular and program materials, and items of current operating expense such as fuel, supplies, and the like; the term "initial equipment" means equipment acquired and installed in connection with construction as defined in paragraph (1)(A) or (B) of this subsection or, in cases referred to in paragraph (1)(C), equipment acquired and installed as part of the rehabilitation, alteration, conversion, or improvement of an existing structure which structure would otherwise not be adequate for use as an academic facility; and the terms "equipment", initial equipment", and "built-in equipment" shall be more particularly defined by the Commissioner by regulation.

(c) The term "development cost", with respect to an academic facility, means the amount found by the Commissioner to be the cost, to the applicant for a grant or loan under this Act, of the construction involved and the cost of necessary acquisition of the land on which the facility is located and of necessary site improvements to permit its use for such facility, but excluding any cost incurred before, or under a contract entered into before, the enactment of this Act. There shall further be excluded from the development cost—

(1) in determining the amount of any grant under title I or II of this Act, an amount equal to the sum of (A) any Federal grant which the institution has obtained, or is assured of obtaining, under any law other than this Act, with respect to the construction that is to be financed with the aid of a grant under title I or II of this Act, and (B) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant; and

(2) in determining the amount of any loan under title III of this Act, an amount equal to the amount of any Federal financial assistance which the institution has obtained, or is assured of obtaining, under any law other than this Act, with respect to the construction that is to be financed with the aid of a loan under title III of this Act.

(d) The term "Federal share" means, in the case of a project for an institution of higher education other than a public community college or public technical institute, a percentage (as determined under the applicable State plan) not in excess of 33⅓ per centum of its development cost; and such term means, in the case of a public community college or public technical institute, 40 per centum of its development cost.

(e) The term "higher education building agency" means (1) an agency, public authority, or other instrumentality of a State authorized to provide, or finance the construction of, academic facilities for

institutions of higher education (whether or not also authorized to provide or finance other facilities for such or other educational institutions, or for their students or faculty), or (2) any corporation (no part of the net earnings of which inures or may lawfully inure to the benefit of any private shareholder or individual) (A) established by an institution of higher education for the sole purpose of providing academic facilities for the use of such institution, and (B) upon dissolution of which all title to any property purchased or built from the proceeds of any loan made under title III of this Act will pass to such institution.

(f) The term "institution of higher education" means an educational institution in any State which—

(1) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

(2) is legally authorized within such State to provide a program of education beyond high school;

(3) provides an educational program for which it awards a bachelor's degree, or provides not less than a two-year program which is acceptable for full credit toward such a degree, or offers a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge;

(4) is a public or other nonprofit institution; and

(5) is accredited by a nationally recognized accrediting agency or association listed by the Commissioner pursuant to this paragraph or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited: *Provided, however,* That in the case of an institution offering a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge, if the Commissioner determines there is no nationally recognized accrediting agency or association qualified to accredit such institutions, he shall, under section 402(c), appoint an advisory committee, composed of persons specially qualified to evaluate training provided by such institutions, which shall prescribe the standards of content, scope, and quality which must be met in order to qualify such institutions for assistance under this Act and shall

also determine whether particular institutions meet such standards: *Provided, however,* That the requirements of this clause (5) shall be deemed to be satisfied in the case of an institution applying for assistance under this Act, if the Commissioner determines that there is satisfactory assurance that upon completion of the project for which such assistance is requested, or upon completion of that project and others under construction or planned and to be commenced within a reasonable time, the institution will meet such requirements; and for the purposes of this paragraph the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of education or training offered.

(g) The term "public community college and public technical institute" means an institution of higher education which is under public supervision and control and is organized and administered principally to provide a two-year program which is acceptable for full credit toward a bachelor's degree or a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles or knowledge, and, if a branch of an institution of higher education offering four or more years of higher education, is located in a community different from that in which its parent institution is located.

(h) The term "cooperative graduate center" means an institution or program created by two or more institutions of higher education which will offer to the students of the participating institutions of higher education graduate work which could not be offered with the same proficiency and/or economy at the individual institution of higher education. The center may be located or the program carried out on the campus of any of the participating institutions or at a separate location.

(i) The term "cooperative graduate center board" means a duly constituted board established to construct and maintain the cooperative graduate center and coordinate academic programs. The board shall be composed of representatives of each of the higher education institutions participating in the center and of the community involved. At least one-third of the board's members shall be community representatives. The board shall elect by a majority vote a chairman from among its membership.

(j) The term "high school" does not include any grade beyond grade 12.

(k) The term "nonprofit educational institution" means an educational institution owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(l) The term "public educational institution" does not include a school or institution of any agency of the United States.

(m) The term "State" includes, in addition to the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

FEDERAL ADMINISTRATION

SEC. 402. (a) The Commissioner may delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

(b) In administering the provisions of this Act for which he is responsible, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or nonprofit agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement, as may be agreed upon.

* * *

LABOR STANDARDS

SEC. 403. (a) The Commissioner shall not approve any application for a grant or loan under this Act except upon adequate assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on construction assisted by such grant or loan will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5), and will receive overtime compensation in accordance with and subject to the provisions of the Contract Work Hours Standards Act (Public Law 87–581); but, in the case of any nonprofit educational institution, the Commissioner may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of the project, voluntarily donate their services for the purpose of lowering the costs of construction and the Commissioner determines that any amounts saved thereby are fully credited to the educational institution undertaking the construction.

(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a) of this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

RECOVERY OF PAYMENTS

SEC. 404. (a) The Congress hereby finds and declares that, if a facility constructed with the aid of a grant or grants under title I or

II of this Act is used as an academic facility for twenty years following completion of such construction, the public benefit accruing to the United States from such use will equal or exceed in value the amount of such grant or grants. The period of twenty years after completion of such construction shall therefore be deemed to be the period of Federal interest in such facility for the purposes of this Act.

(b) If, within twenty years after completion of construction of an academic facility which has been constructed in part with a grant or grants under title I or II of this Act—

(1) the applicant (or its successor in title or possession) ceases or fails to be a public or nonprofit institution, or

(2) the facility ceases to be used as an academic facility, or the facility is used as a facility excluded from the term "academic facility" by section 401(a)(2),

the United States shall be entitled to recover from such applicant (or successor) an amount which bears to the then value of the facility (or so much thereof as constituted an approved project or projects) the same ratio as the amount of such Federal grant or grants bore to the development cost of the facility financed with the aid of such grant or grants. Such value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated.

METHOD OF PAYMENT

SEC. 405. Payments under this Act to any State or Federal agency, institution of higher education, or any other organization, pursuant to a grant or loan, may be made in installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

ADMINISTRATIVE APPROPRIATIONS AUTHORIZED

SEC. 406. There are hereby authorized to be appropriated for the fiscal year ending June 30, 1964, and for each fiscal year thereafter, such sums as may be necessary for the cost of administering the provisions of this Act.

FEDERAL CONTROL NOT AUTHORIZED

SEC. 407. No department, agency, officer, or employee of the United States shall, under authority of this Act, exercise any direction, supervision, or control over, or impose any requirements or conditions with respect to, the personnel, curriculum, methods of instruction, or administration of any educational institution.

Approved December 16, 1963, 11 a.m.

**11. Open Space Land**

**1. Authorization of Program**

# EXCERPTS FROM HOUSING ACT OF 1961

[Public Law 87-70, 75 Stat. 183]

## TITLE VII—OPEN SPACE LAND

### FINDINGS AND PURPOSE

SEC. 701. (a) The Congress finds that a combination of economic, social, governmental, and technological forces have caused a rapid expansion of the Nation's urban areas, which has created critical problems of service and finance for all levels of government and which, combined with a rapid population growth in such areas, threatens severe problems of urban and suburban living, including the loss of valuable open-space land in such areas, for the preponderant majority of the Nation's present and future population.

(b) It is the purpose of this title to help curb urban sprawl and prevent the spread of urban blight and deterioration, to encourage more economic and desirable urban development, and to help provide necessary recreational, conservation, and scenic areas by assisting State and local governments in taking prompt action to preserve open-space land which is essential to the proper long-range development and welfare of the Nation's urban areas, in accordance with plans for the allocation of such land for open-space purposes.

### FEDERAL GRANTS

SEC. 702. (a) In order to encourage and assist in the timely acquisition of land to be used as permanent open-space land, as defined herein, the Housing and Home Finance Administrator (hereinafter referred to as the "Administrator") is authorized to enter into contracts to make grants to States and local public bodies acceptable to the Administrator as capable of carrying out the provisions of this title to help finance the acquisition of title to, or other permanent interests in, such land. The amount of any such grant shall not exceed 20 per centum of the total cost, as approved by the Administrator, of acquiring such interests: *Provided,* That this limitation may be increased to not to exceed 30 per centum in the case of a grant extended to a public body which (1) exercises responsibilities consistent with the purposes of this title for an urban area as a whole, or (2) exercises or participates in the exercise of such responsibilities for all or a substantial portion of an urban area pursuant to an interstate or other intergovernmental compact or agreement. The faith of the United States is pledged to the payment of all grants contracted for under this title.

(b) The Administrator may enter into contracts to make grants

under this title aggregating not to exceed $75,000,000.[1] There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the amounts necessary to provide for the payment of such grants as well as to carry out all other purposes of this title. All funds so appropriated shall remain available until expended.

(c) No grants under this title shall be used to defray development costs or ordinary State or local governmental expenses, or to help finance the acquisition by a public body of land located outside the urban area for which it exercises (or participates in the exercise of) responsibilities consistent with the purpose of this title.

(d) The Administrator may set such further terms and conditions for assistance under this title as he determines to be desirable.

(e) The Administrator shall consult with the Secretary of the Interior on the general policies to be followed in reviewing applications for grants. To assist the Administrator in such review, the Secretary of the Interior shall furnish him appropriate information on the status of recreational planning for the areas to be served by the open-space land acquired with the grants. The Administrator shall provide current information to the Secretary from time to time on significant program developments.

PLANNING REQUIREMENTS

SEC. 703. (a) The Administrator shall enter into contracts to make grants for the acquisition of land under this title only if he finds that (1) the proposed use of the land for permanent open space is important to the execution of a comprehensive plan for the urban area meeting criteria he has established for such plans, and (2) a program of comprehensive planning (as defined in section 701(d)[2] of the Housing Act of 1954) is being actively carried on for the urban area.

(b) In extending financial assistance under this title, the Administrator shall take such action as he deems appropriate to assure that local governing bodies are preserving a maximum of open-space land, with a minimum of cost, through the use of existing public land; the use of special tax, zoning, and subdivision provisions; and the continuation of appropriate private use of open-space land through acquisition and leaseback, the acquisition of restrictive easements, and other available means.

CONVERSIONS TO OTHER USES

SEC. 704. No open-space land for which a grant has been made under this title shall, without the approval of the Administrator, be converted to uses other than those originally approved by him. The Administrator shall approve no conversion of land from open-space use unless he finds that such conversion is essential to the orderly development and

[1] Sec. 1001, Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 806, substituted "$75,000,000" for "$50,000,000" and added the last sentence of this subsection.
[2] See 7-5.

growth of the urban area involved and is in accord with the then applicable comprehensive plan, meeting criteria established by him. The Administrator shall approve any such conversion only upon such conditions as he deems necessary to assure the substitution of other open-space land of at least equal fair market value and of as nearly as feasible equivalent usefulness and location.

TECHNICAL ASSISTANCE, STUDIES, AND PUBLICATION OF INFORMATION

SEC. 705. In order to carry out the purpose of this title the Administrator is authorized to provide technical assistance to State and local public bodies and to undertake such studies and publish such information, either directly or by contract, as he shall determine to be desirable. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such amounts as may be necessary to provide for such assistance, studies, and publication. Nothing contained in this section shall limit any authority of the Administrator under any other provision of law.

DEFINITIONS

SEC. 706. As used in this title—

(1) The term "open-space land" means any undeveloped or predominantly undeveloped land in an urban area which has value for (A) park and recreational purposes, (B) conservation of land and other natural resources, or (C) historic or scenic purposes.

(2) The term "urban area" means any area which is urban in character, including those surrounding areas which, in the judgment of the Administrator, form an economic and socially related region, taking into consideration such factors as present and future population trends and patterns of urban growth, location of transportation facilities and systems, and distribution of industrial, commercial, residential, governmental, institutional, and other activities.

(3) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

Approved June 30, 1961.

11. Open Space Land

## 2. EXECUTIVE ORDER 11017

[27 Fed. Reg. 4141]

## PROVIDING FOR COORDINATION WITH RESPECT TO OUTDOOR RECREATION RESOURCES AND ESTABLISHING THE RECREATION ADVISORY COUNCIL

WHEREAS it is necessary, through the conservation and wise use of resources, to preserve, develop, and make accessible to all our people outdoor recreation of such quantity and quality as will make possible the individual enjoyment of, and will assure the physical, cultural, and spiritual benefits of, such recreation; and

WHEREAS the Federal Government has major nationwide responsibilities with respect to outdoor recreation resources; and

WHEREAS it is necessary to improve the effectiveness of Federal participation in the field of outdoor recreation; and

WHEREAS a new Bureau of Outdoor Recreation has recently been established in the Department of the Interior; and

WHEREAS improvements in the development of national outdoor recreation policies and the carrying out of national outdoor recreation programs will be facilitated by the provision of more adequate interagency consultation and advice:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

SECTION 1. *Recreation Advisory Council.* (a) There is hereby established the Recreation Advisory Council (hereinafter referred to as the Council). The Council shall be composed of the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Defense, the Secretary of Commerce,[1] the Secretary of Health, Education, and Welfare, and the Administrator of the Housing and Home Finance Agency. The chairmanship of the Council shall rotate among these officials in the order named and for terms of two years each. Each of the foregoing officers may appoint a delegate to represent him in Council activity. When matters affecting the interests of Federal agencies (including, as used in this order, executive departments and other executive agencies) the heads of which are not members of the Council are to be considered by the Council, the chairman of the Council shall invite such heads to participate in the deliberations of the Council.

(b) The Secretary of the Interior, in consultation with the other members of the Council, shall be responsible for developing methods and procedures for improved interagency coordination in the development and carrying out of national outdoor recreation policies and programs.

[1] Amended to include the Secretary of Commerce by Executive Order 11069 of November 28, 1962 (27 Fed. Reg. 11847).

SEC. 2. *Functions of the Council.* (a) The Council shall provide broad policy advice to the heads of Federal agencies on all important matters affecting outdoor recreation resources and shall facilitate coordinated efforts among the various Federal agencies.

(b) As far as may be practical, the Council, in carrying out the provisions of subsection (a) of this section, shall include advice to the Federal agencies concerned with respect to the following aspects of outdoor recreation resources: (1) the protection and appropriate management of scenic areas, natural wonders, primitive areas, historic sites, and recreation areas of national significance, (2) the management of Federal lands for the broadest possible recreation benefit consistent with other essential uses, (3) the management and improvement of fish and wildlife resources for recreational purposes, (4) cooperation with and assistance to the States and local governments, (5) interstate arrangements, including Federal participation where authorized and necessary, and (6) vigorous and cooperative leadership in a nationwide recreation effort.

SEC. 3. *Construction.* Nothing in this order shall be construed as subjecting any function vested by law in, or assigned pursuant to law to, any Federal agency or head thereof to the authority of any other agency or officer or as abrogating or restricting any such function in any manner.

SEC. 4. *Assistance and cooperation.* (a) The Federal agencies headed by the officers composing the Council shall furnish necessary assistance to the Council in consonance with the provisions of Section 214 of the Act of May 3, 1945 (59 Stat. 134; 31 U.S.C. 691).

(b) In respect of duties of the Council and of the chairman of the Council, respectively, under this order, and insofar as practical, all Federal agencies shall upon request furnish information, data, and reports to, and shall otherwise cooperate with, the said Council and chairman.

JOHN F. KENNEDY

THE WHITE HOUSE,
*April 27, 1962.*

12. Flood Insurance and Loan Contracts

1. Authorization of Program [1]

# FEDERAL FLOOD INSURANCE ACT OF 1956

[Public Law 1016, 84th Congress, 70 Stat. 1078]

## AN ACT

To provide insurance against flood damage, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Federal Flood Insurance Act of 1956".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds that in the case of recurring natural disasters, including recurring floods, insurance protection against individual and public loss is not always practically available through private or public sources. With specific reference to insurance against flood loss, the Congress finds that insurance against certain losses resulting from this peril is not so available. Since preventive and protective means and structures against the effects of these disasters can never wholly anticipate the geographic incidence and infinite variety of the destructive aspects of these forces, the Congress finds that the safeguards of insurance are a necessary adjunct of preventive and protective means and structures.

Inasmuch as these disasters impede interstate and foreign commerce, hamper national defense, and cause widespread distress and hardship adversely affecting the general welfare, without regard to State boundary lines, and in the absence of insurance protection from private or public sources, the Congress ought to provide for such protection in the case of flood, and study the feasibility and need for similar programs in the case of other forms of natural disaster against which insurance protection is not generally and practically available in all geographical areas.

(b) (1) It is the purpose of this Act to authorize the establishment of a program of Federal insurance and reinsurance against the risks of loss resulting from flood as hereinafter defined, and to require a study and report on insurance and reinsurance against still other natural disaster perils to the extent that such insurance or reinsurance is not available on reasonable terms and conditions from other public or private sources; and

(2) It is the further purpose of this Act to encourage private insurance companies to write insurance covering the extent of the risks above the limits prescribed in section 10 (a) and to provide Federal reinsurance to the extent desirable and necessary to carry out this purpose.

(3) It is the further purpose of this Act to authorize the establishment of a program of loans, and a program combining insurance and loans, to assist flood victims who have entered into contracts with the Administrator under this Act.

[1] See also 2-1.11.

ADMINISTRATION

SEC. 3 (a) To assist in carrying out the functions, powers, and duties vested in him by this Act, the Administrator may appoint a Commissioner,[1] and the basic rate of compensation of such position shall be the same as the basic rate of compensation [2] established for the Commissioners of the constituents of the Housing and Home Finance Agency.

(b) The provisions of the Government Corporation Control Act, as amended,[3] shall apply to the functions vested in the Administrator by this Act, to the same extent as applicable to wholly owned Government corporations.

(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act, the Administrator, notwithstanding the provisions of any other law, shall maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided,* That such financial transactions of the Administrator as the issuing of insurance policies, the making of reinsurance agreements, and the making and guaranteeing of loans, and vouchers approved by the Administrator in connection with such financial transactions, shall be final and conclusive upon all officers of the Government.

AUTHORITY TO INSURE AND REINSURE

SEC. 4. To aid in carrying out the purposes of this Act, the Administrator is authorized to provide, upon such terms and conditions (including coinsurance requirements) as he may establish, insurance and reinsurance against loss resulting from damage to or destruction of real or personal property (including property owned by any State or local government) due to flood, as hereinafter defined, occurring within the United States: *Provided,* That insurance policies issued under this Act after June 30, 1959, shall be issued only with respect to property in those States which participate as provided in section 7 (a) of this Act.

LOAN CONTRACTS

SEC. 5. (a) The Administrator is authorized to enter into contracts with any persons (not including State and local governments and agencies thereof) to the effect that, in the event of any subsequent loss resulting from damage to or destruction of real and personal property due to flood, as hereinafter defined, occurring within the United States—

[1] See 2-1.11 for Administrator's Organizational Order No. 3 providing for the abolition of the Federal Flood Indemnity Administration effective July 1, 1957. Abolition of the Flood Administration was ordered when no funds were provided in June 1957 for its operation.

[2] The Federal Executive Pay Act of 1956, Public Law 854, 84th Congress, approved July 31, 1956, 70 Stat. 736, 2-2.10, provided that the annual rate of basic compensation of the Commissioners shall be $20,000.

[3] 31 U.S.C. 841-869.

(1) the Administrator will guarantee any public or private financing institution against loss of principal and interest with respect to any loan in an amount not to exceed such subsequent flood loss (as modified by subsection (f) of this section, relating to deductibility), which may be made by such institution to any such person in connection with such flood loss; and

(2) to the extent that a loan to finance such flood loss is not available from any such institution on reasonable terms, the Administrator will make a loan directly to such person in an amount covering all or part (as provided for in the loan contract between the Administrator and such person) of the difference between the amount of such flood loss (as modified by such subsection (f), relating to deductibility) and the amount of the loan available from such institution.

Each such contract shall contain such terms and conditions and require from any such person such monetary consideration, as the Administrator may prescribe by regulation. In issuing such regulations the Administrator shall fix such monetary consideration at the lowest practicable amount, following generally the same principles as apply under section 7 (a) with respect to the establishment of fees for insurance.

(b) Any loan made or guaranteed under this section shall bear interest at the rate, as determined by the Administrator, which is prevailing in the area where the money loaned is to be used but such rate shall not exceed 4 per centum per annum on the unpaid principal balance.

(c) Any Federal Reserve bank, when designated by the Administrator, is hereby authorized to act, on behalf of the Administrator, as fiscal agent of the United States in guaranteeing loans under this section and in otherwise taking action in connection with such guarantees. Such funds as may be necessary to enable such bank to carry out any such guarantee shall be supplied and disbursed by or under authority of the Administrator from the Disaster Loan Fund. Such bank shall not have any responsibility or accountability except as agent in taking any action in connection with such guarantees. Each such bank shall be reimbursed by the Administrator, from funds appropriated by the Federal Government, for all expenses incurred by the bank in acting as agent on behalf of the Administrator, including among such expenses, notwithstanding any other provision of law, attorneys' fees and expenses of litigation.

(d) Actions and operations of such banks under authority of subsection (c) of this section shall be subject to the supervision of the Administrator and subject to such regulations as he may prescribe. The Administrator is authorized to prescribe the term and incidental charges for loans guaranteed under subsection (c) of this section. The Administrator is further authorized to prescribe regulations with respect to the forms and procedures (which shall be uniform to the maximum extent practicable) to be utilized in connection with such guarantees.

(e) To the maximum extent practicable, loans under this section shall be on a long-term basis in accordance with regulations prescribed by the Administrator, if so requested by the person obtaining the loan.

(f) Loans under this section shall be made only with respect to amounts exceeding the first $500 of the amount of the loss.

(g) The face amount of all loan contracts outstanding under this section at any one time shall not exceed $2,000,000,000; but such amount may be increased, with the approval of the President, by not to exceed $500,000,000 in any one fiscal year.

(h) The provisions of sections 8, 9, 10 (a), 10 (b), 12 (b), 12 (c), 13, 14, 15 (e), 15 (g), 17 (a), 18, 19, 20, 22, and 23 of this Act shall be applicable with respect to the loan contract program under this section.

COMBINATION OF INSURANCE AND LOANS

SEC. 6. The Administrator is authorized to establish, under such regulations as he may prescribe, a program combining insurance and loans in order to provide the greatest variety and amount of protection against loss to the greatest number of affected parties in accordance with individual needs.

ESTIMATED RATES AND FEES

SEC. 7. (a) The Administrator shall from time to time establish a schedule of "estimated rates" for insurance offered under the provisions of this Act, which would be adequate, in his judgment, to produce sufficient proceeds to pay all claims for probable losses over a reasonable period of years. Such "estimated rates" shall be used as a basis for determining the fees to be paid by the persons insured. They shall be based on consideration of the risks involved and shall be uniform for similar risks within a given classification of property. They shall not include any loading for administrative expenses of the Federal Government under this Act. The Administrator shall establish a schedule of fees to provide insurance protection at reasonable costs designed to achieve marketability: *Provided,* That no insurance policy shall be issued for a fee less than 60 per centum of such "estimated rate". The Administrator is authorized to establish such classifications of fees as he deems necessary to carry out the purposes of this Act based on the use of the property to be insured, the availibility of insurance from private sources covering such property, and the ability of the insured to self-insure or reinsure and may establish differentials in levels of fees for such classifications: *Provided,* That all such fees shall be uniform for similar risks within a given classification of property. Prior to July 1, 1959, the Administrator shall pay into the Disaster Insurance Fund, hereinafter created, from time to time, an amount equal to the difference between the fees charged for insurance policies issued and the amount which would have been charged if the "estimated rates" were applied: *Provided,* That after June 30, 1959, each State shall pay from time to time into the Disaster Insurance Fund, an amount equal to one-half the difference between the fees charged for insurance policies issued after such date on property in such State, and the amount which would

have been charged if the "estimated rates" were applied, and the Administrator shall pay into such Fund, from time to time, an amount equal to the State's contribution for each policy issued.

(b) The Administrator from time to time shall also negotiate with insurance companies seeking reinsurance for the purpose of establishing fees for reinsurance offered under the provisions of this Act. Such fees shall be based on consideration of the risks involved and shall be adequate, in the judgment of the Administrator, to produce sufficient proceeds over a reasonable period of years to pay all claims for losses. The fees shall not include any loading for administrative expenses of the Federal Government under this Act.

PROPERTY AND LOSS LIMITS

SEC. 8. The Administrator is authorized to provide for the determination of types and location of property with respect to which insurance or reinsurance shall be made available under this Act, the nature and limits of loss or damage in any area (including subdivisions thereof) which may be covered by such insurance or reinsurance, and such other matters as may be necessary to carry out the purposes of this Act.

RISK CLASSIFICATION

SEC. 9. The Administrator may from time to time issue appropriate regulations regarding the classification, limitation, and rejection of risks assumed by him under authority of this Act.

POLICY AND PROGRAM LIMITS

SEC. 10. (a) The outstanding face amount of insurance issued by the Administrator under this Act shall not exceed $250,000 per person: *Provided,* That the face amount of such insurance on any dwelling unit (including any structures and personal property connected therewith) shall not exceed $10,000.

(b) The Administrator may from time to time issue appropiate regulations regarding insurance coverage available to joint owners and subsidiary and affiliated corporations as he shall deem advisable to effectuate the purposes of this Act.

(c) Each insurance policy issued by the Administrator shall contain a loss-deductible clause relieving him from any liability for paying the first $100 of a proved and approved claim for loss, plus 5 per centum of the remainder, or such larger amount or percentage as may be specified by the Administrator upon issuance of the insurance policy, taking into consideration the class of risk involved.

(d) The face amount of insurance policies and reinsurance agreements outstanding at any one time under this Act shall not exceed $3,000,000,000 (which limit may be increased with the approval of the President by further amounts not to exceed $2,000,000,000 in the aggregate if such increase is deemed advisable to effectuate the purposes of this Act) minus the aggregate amount of claims proved and approved under insurance policies and reinsurance agreements issued under this Act, but plus fees collected hereunder. For the purpose of applying this limitation, the face amount of any policy or agreement

shall be deemed to be the orginal amount minus claims proved and approved thereunder.

REINSURANCE REGULATORY AUTHORITY

SEC. 11. (a) The Administrator is authorized to issue such regulations regarding reinsurance under this Act as he deems advisable in order to carry out the purposes of this Act.

(b) The premium rate and terms and conditions of any policy reinsured under the provisions of this Act shall be subject to approval by the Administrator.

(c) The Administrator shall use his best efforts to encourage private insurance companies to undertake the issuance of insurance policies covering that portion of the loss in excess of the limits specified in section 10 (a) of this Act resulting from damage to or destruction of real or personal property due to flood as defined in this Act. The Administrator may seek to achieve this end by offering a program of appropriate reinsurance within the authority granted him by this Act.

(d) Wherever practicable, the Administrator may encourage, by offering suitable reinsurance subject to the provisions of this Act, the issuance by private insurance companies of policies insuring against loss resulting from damage to or destruction of real or personal property due to flood.

NONDUPLICATION OF AVAILABLE INSURANCE

SEC. 12. (a) No insurance or reinsurance, or loan contract, shall be issued under the provisions of this Act covering risks against which insurance is available on reasonable terms from other public or private sources.

(b) No insurance or reinsurance shall be issued under the provisions of this Act on any property declared by a duly constituted State or local zoning authority, or other authorized public body, to be in violation of State or local flood zoning laws.

(c) After June 30, 1958, no insurance or reinsurance shall be issued under the provisions of this Act in any geographical location unless an appropriate public body shall have adopted and shall keep in effect such flood zoning restrictions, if any, as may be deemed necessary by the Administrator to reduce, within practicable limits, damages from flood in such location.

USE OF OTHER PUBLIC AND PRIVATE FACILITIES

SEC. 13. (a) In providing insurance or reinsurance under this Act, the Administrator shall use to the maximum practicable extent the facilities and services of private organizations and persons authorized to engage in the insurance business under the laws of any State (including insurance companies, agents, brokers, and adjustment organizations); and the Administrator may arrange for payment of reasonable compensation therefor.

(b) In providing insurance or reinsurance under this Act, the Administrator may use the services of other public agencies, and pay reasonable compensation therefor.

(c) The Administrator may supply, receive from and exchange with other agencies of the Federal Government, State, local, and interstate commissions or agencies, and private organizations experienced in the fields of insurance or reinsurance, such information as may be useful in the administration of the programs authorized by this Act.

(d) In carrying out the functions authorized in this Act, the Administrator may consult with other agencies of the Federal Government and interstate, State, and local public agencies having responsibilities for land use and flood control and for flood zoning and flood-damage prevention in order to assure that the insurance and reinsurance programs are consistent with the programs of such agencies. Where the program of the Administrator may affect existing or proposed flood-control works under the jurisdiction of agencies of the Federal Government these agencies shall cooperate with the Administrator in coordinating their respective programs. The Secretary of Agriculture and the Administrator shall coordinate the administration of their respective programs relating to flood insurance and reinsurance for agricultural commodities.

(e) The Administrator may from time to time consult with representatives of the various States to the extent deemed necessary by him to effectuate the purposes of this Act.

CLAIMS PAYMENT AND JUDICIAL REVIEW

SEC. 14. (a) Under such regulations as the Administrator may prescribe, he shall arrange for prompt adjustment and payment of valid claims for losses covered by insurance or reinsurance under this Act.

(b) Upon disallowance of any claim against the Administrator under color of any insurance or reinsurance made available under this Act, or upon refusal of the claimant to accept the amount allowed upon any such claim, the claimant may institute an action against the Administrator on such claim in the United States district court in which a major portion (in terms of value) of the insured property is located. Any such action must be begun within one year after the date upon which the claimant receives from the Administrator written notice of disallowance or partial disallowance of the claim. For the purposes of this section, the Administrator may be sued and he shall appoint one or more agents within the jurisdiction of each United States district court upon whom service of process can be made in any action instituted under this section. Exclusive jurisdiction is hereby conferred upon all United States district courts to hear and determine such actions without regard to the amount in controversy.

FUNDS AND TREASURY BORROWINGS

SEC. 15. (a) To carry out the purposes of this Act, the Administrator is authorized to establish three funds to be known as the (1) Disaster Insurance Fund, (2) Disaster Reinsurance Fund, and (3) Disaster Loan Fund.

(b) Into the Disaster Insurance Fund shall be deposited all insurance fees collected by the Administrator for insurance policies issued

by him under this Act, and the contributions made by the Administrator and the respective States in accordance with section 7 (a) of this Act. Into the Disaster Reinsurance Fund shall be deposited all fees collected by the Administrator in connection with reinsurance made available by him under this Act. Into the Disaster Loan Fund shall be deposited amounts accruing to the United States in connection with loan contract transactions.

(c) Moneys in each of the funds may be invested in obligations of the United States or in obligations guaranteed as to principal and interest by the United States. Such obligations may be sold and the proceeds derived therefrom may be reinvested as above provided if deemed advisable by the Administrator. Income from such investment or reinvestment shall be deposited in the respective fund from which the investment was made.

(d) All salvage proceeds realized by the Administrator in connection with insurance made available under this Act shall be deposited in the Disaster Insurance Fund; and all salvage proceeds realized by the Administrator in connection with reinsurance made available under this Act shall be deposited in the Disaster Reinsurance Fund.

(e) The Administrator is authorized to issue to the Secretary of the Treasury from time to time and have outstanding at any one time, in an amount not exceeding $500,000,000 (or such greater amount as may be approved by the President) notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations to be issued hereunder and for such purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and obligations.

The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Funds borrowed under this section shall be deposited, in such proportions as the Administrator deems advisable, in the Disaster Insurance Fund, the Disaster Reinsurance Fund, and the Disaster Loan Fund.

(f) Moneys in the Disaster Insurance Fund, the Disaster Reinsurance Fund, and the Disaster Loan Fund may be used for the following purposes as deemed necessary by the Administrator:

(1) To pay from the Disaster Insurance Fund proved and approved claims for loss under, and other nonadministrative expenses arising in connection with, insurance policies issued by the Administrator under this Act;

(2) To pay from the Disaster Reinsurance Fund proved and approved claims under, and other nonadministrative expenses arising in connection with, reinsurance agreements entered into by the Administrator under this Act;

(3) To pay from the Disaster Loan Fund the amounts of loans made by the Administrator, amounts in payment of guarantees, and other nonadministrative expenses in connection with direct and guaranteed loans under this Act; and

(4) To repay to the Secretary of the Treasury sums borrowed from him in accordance with the provisions of subsection (e) of this section.

(g) All administrative expenses of the Federal Government under this Act shall be paid from funds appropriated by the Federal Government.

ADVISORY COMMITTEE

SEC. 16. In carrying out his functions under this Act, the Administrator shall appoint an advisory committee as authorized by section 601 of the Housing Act of 1949, as amended (68 Stat. 590, 645). Such committee shall consist of not less than three nor more than fifteen persons familiar with the problems of insurance or reinsurance, to advise the Administrator with respect to the formulation of policies and the execution of functions under this Act.

STUDIES

SEC. 17. (a) The Administrator shall undertake a continuing study of the practicability of extending the coverage of insurance programs similar to those authorized under this Act to any one or more natural disaster perils, other than flood, against which, and for the period during which, insurance protection is not generally and practically available in all geographical locations from other public or private sources.

(b) The Administrator shall also undertake a continuing study of participation by private insurance companies in the programs authorized by this Act, in order that the protection it authorizes can be provided, whenever practicable, through insurance policies issued by private insurance companies and reinsured with the Administrator, in lieu of providing such protection through insurance policies issued in the name of the Administrator.

(c) The Administrator shall undertake a continuing study of the feasibility of having private insurance companies take over with or without some form of Federal financial support, the insurance programs authorized by this Act.

ADDITIONAL FUNCTIONS

SEC. 18. For the purpose of carrying out functions under this Act the Administrator may—

(a) sue or be sued;

(b) without regard to sections 3648 and 3709 of the Revised Statutes, as amended (31 U. S. C. 529 and 41 U. S. C. 5), and section 322 of the Act of June 30, 1932 (47 Stat. 412, as amended (40 U. S. C. 278a)), enter into and perform contracts, leases, cooperative agreements, or other transactions, on such terms as he may deem appropriate, with any agency or instrumentality of the United States, or with any State or agency or political subdivision thereof, or with any person, firm, association, or corporation and consent to modification thereof, and make advance or progress payments in connection therewith;

(c) without regard to sections 3648 and 3709 of the Revised Statutes, as amended (31 U. S. C. 529 and 41 U. S. C. 5), and section 322 of the Act of June 30, 1932 (47 Stat. 412, as amended (40 U. S. C. 278a)), by purchase, lease, or donation acquire such real and personal property and any interest therein, make advance or progress payments in connection therewith, and hold, use, maintain, insure against loss, sell, lease, or otherwise dispose of such real and personal property as the Administrator deems necessary to carry out the purposes of this Act;

(d) appoint, pursuant to civil-service laws and regulations, such officers, attorneys, and employees as may be necessary to carry out the purposes of this Act; fix their compensation in accordance with the provisions of the Classification Act of 1949, as amended; define their authority and duties; provide bonds for such of them as he may deem necessary; and delegate to them, and authorize successive redelegations by them, of such of the powers vested in him by this Act as he may determine;

(e) conduct researches, surveys, and investigations relating to flood insurance and reinsurance and assemble data for the purpose of establishing estimated rates, fees, and premiums for flood insurance and reinsurance under this Act;

(f) issue such rules and regulations as he deems necessary to carry out the purposes of this Act; and

(g) exercise all powers specifically granted by the provisions of this Act and such incidental powers as are necessary to carry out the purposes of this Act.

RESERVATION OF RIGHTS IN REAL ESTATE ACQUIRED

SEC. 19. The acquisition by the Administrator of any real property pursuant to this Act shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local law of the inhabitants on such property.

TAXATION

SEC. 20. Nothing in this Act shall be construed to exempt any real property, acquired and held by the Administrator in connection with the payment of any claim under this Act, from taxation by any State or political subdivision thereof, to the same extent, according to its value, as other real property is taxed.

ANNUAL REPORT

SEC. 21. The annual report made by the Administrator to the President for submission to the Congress under existing law [1] on all programs provided for under this Act shall contain a comprehensive report concerning (1) the operation of insurance, reinsurance, and loan programs authorized under this Act, and (2) the status and result of studies authorized under section 17 of this Act, together with such recommendations, if any, for legislative changes deemed by the Administrator desirable to improve the operation of programs authorized under this Act. The annual report for the calendar year ending December 31, 1958, shall contain a list of the States which can be expected to participate in the insurance program authorized by this Act after June 30, 1959. The annual report for the calendar year ending December 31, 1961, shall contain an express opinion of the Administrator, supported by pertinent findings, concerning the advisability of withdrawing in whole or in part Federal financial support for insurance policies to be issued at any time after June 30, 1962, offering protection as authorized in this Act, taking into consideration the desirability of offering such protection. Such opinion shall be accompanied by recommendations for legislative changes deemed desirable by the Administrator in the event the opinion is to the effect that any such withdrawal of financial support is advisable.

DEFINITIONS

SEC. 22. As used in this Act the term—

(a) "Flood" includes any flood, tidal wave, wave wash, or other abnormally high tidal water, deluge, or the water component of any hurricane or other severe storm, surface landslide due to excess moisture, and shall have such other meaning as may be prescribed by regulation of the Administrator.

(b) "Person" means an individual or group of individuals, corporation, partnership, association, or any other organized group of persons, including State and local governments and agencies thereof;

(c) "United States", when used in a geographic sense, means the several States, the District of Columbia, the Territories, the possessions, and the Commonwealth of Puerto Rico;

(d) "State" includes the several States, the District of Columbia, the Territories, the possessions, and the Commonwealth of Puerto Rico; and

(e) "Administrator" means the Housing and Home Finance Administrator.

[1] See 2-2.1.

SEPARABILITY PROVISION

SEC. 23. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act and the application of such provision to any person or circumstance other than those as to which it is held invalid shall not be affected thereby.

Approved August 7, 1956.

13. Mass Transportation

1. Authorization of Program

# URBAN MASS TRANSPORTATION ACT OF 1964

[Public Law 88-365, 78 Stat. 302]

## An Act

To authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems, both public and private, in metropolitan and other urban areas, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Urban Mass Transportation Act of 1964".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds—

(1) that the predominant part of the Nation's population is located in its rapidly expanding metropolitan and other urban areas, which generally cross the boundary lines of local jurisdictions and often extend into two or more States;

(2) that the welfare and vitality of urban areas, the satisfactory movement of people and goods within such areas, and the effectiveness of housing, urban renewal, highway, and other federally aided programs are being jeopardized by the deterioration or inadequate provision of urban transportation facilities and services, the intensification of traffic congestion, and the lack of coordinated transportation and other development planning on a comprehensive and continuing basis; and

(3) that Federal financial assistance for the development of efficient and coordinated mass transportation systems is essential to the solution of these urban problems.

(b) The purposes of this Act are—

(1) to assist in the development of improved mass transportation facilities, equipment, techniques, and methods, with the cooperation of mass transportation companies both public and private;

(2) to encourage the planning and establishment of area wide urban mass transportation systems needed for economical and desirable urban development, with the cooperation of mass transportation companies both public and private; and

(3) to provide assistance to State and local governments and their instrumentalities in financing such systems, to be operated

by public or private mass transportation companies as determined by local needs.

FEDERAL FINANCIAL ASSISTANCE [1]

SEC. 3. (a) In accordance with the provisions of this Act, the Administrator is authorized to make grants or loans (directly, through the purchase of securities or equipment trust certificates, or otherwise) to assist States and local public bodies and agencies thereof in financing the acquisition, construction, reconstruction, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service in urban areas and in coordinating such service with highway and other transportation in such areas. Eligible facilities and equipment may include land (but not public highways), buses and other rolling stock, and other real or personal property needed for an efficient and coordinated mass transportation system. No grant or loan shall be provided under this section unless the Administrator determines that the applicant has or will have (1) the legal, financial, and technical capacity to carry out the proposed project, and (2) satisfactory continuing control, through operation or lease or otherwise, over the use of the facilities and equipment. No such funds shall be used for payment of ordinary governmental or nonproject operating expenses.

(b) No loan shall be made under this section for any project for which a grant is made under this section, except grants made for relocation payments in accordance with section 7(b). Loans under this section shall be subject to the restrictions and limitations set forth in paragraphs (1), (2), and (3) of section 202(b) of the Housing Amendments of 1955.[2] The authority provided in section 203 of such Amendments to obtain funds for loans under clause (2) of section 202 (a) of such Amendments shall (except for undisbursed loan commitments) hereafter be exercised by the Administrator (without regard to the proviso in section 202(d) of such Amendments) solely to obtain funds for loans under this section.

(c) No financial assistance shall be provided under this Act to any State or local public body or agency thereof for the purpose, directly or indirectly, of acquiring any interest in, or purchasing any facilities or other property of, a private mass transportation company, or for the purpose of constructing, improving, or reconstructing any facilities or other property acquired (after the date of the enactment of this Act) from any such company, or for the purpose of providing by contract or otherwise for the operation of mass transportation facilities or equipment in competition with, or supplementary to, the service

[1] The Supplemental Appropriation Act, 1965, Public Law 88-365, approved October 7, 1964, 78 Stat. 1023, 1026, appropriated the following amounts to implement the Urban Mass Transportation Act of 1964: (a) $60,000,000, to remain available until expended, for grants; (b) $5,000,000 for loans authorized by sec. 3 of that Act; and (c) $187,500 for administrative expenses. See 40-1(1965)-2 and 40-2-13.

For other material pertaining to Mass Transportation, see 7-1, 7-5, and 10-2.3.

Sec. 3 of Public Law 88-554, approved August 31, 1964, 78 Stat. 761, authorized and directed the Secretary of Commerce to investigate and study the feasibility of taxing transit systems that are receiving financial assistance under the Urban Mass Transportation Act of 1964. The Secretary is required to report the results of the investigation and study, together with his recommendations, to the Senate Committee on Finance and the House Committee on Ways and Means at the earliest practicable date, but not later than June 30, 1965.

[2] See 10-2.3.

provided by an existing mass transportation company, unless (1) the Administrator finds that such assistance is essential to a program, proposed or under active preparation, for a unified or officially coordinated urban transportation system as part of the comprehensively planned development of the urban area, (2) the Administrator finds that such program, to the maximum extent feasible, provides for the participation of private mass transportation companies, (3) just and adequate compensation will be paid to such companies for acquisition of their franchises or property to the extent required by applicable State of local laws, and (4) the Secretary of Labor certifies that such assistance complies with the requirements of section 10(c) of this Act.

LONG-RANGE PROGRAM

SEC. 4. (a) Except as specified in section 5, no Federal financial assistance shall be provided pursuant to section 3 unless the Administrator determines that the facilities and equipment for which the assistance is sought are needed for carrying out a program, meeting criteria established by him, for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area, and are necessary for the sound, economic, and desirable development of such area. Such program shall encourage to the maximum extent feasible the participation of private enterprise. Where facilities and equipment are to be acquired which are already being used in mass transportation service in the urban area, the program must provide that they shall be so improved (through modernization, extension, addition, or otherwise) that they will better serve the transportation needs of the area. The Administrator, on the basis of engineering studies, studies of economic feasibility, and data showing the nature and extent of expected utilization of the facilities and equipment, shall estimate what portion of the cost of a project to be assisted under section 3 cannot be reasonably financed from revenues—which portion shall hereinafter be called "net project cost". The Federal grant for such a project shall not exceed two-thirds of the net project cost. The remainder of the net project cost shall be provided, in cash, from sources other than Federal funds, and no refund or reduction of that portion so provided shall be made at any time unless there is at the same time a refund of a proportional amount of the Federal grant.

(b) To finance grants under this Act there is hereby authorized to be appropriated at any time after its enactment not to exceed $75,000,000 for fiscal year 1965; $150,000,000 for fiscal year 1966; and $150,000,000 for fiscal year 1967. Any amount so appropriated shall remain available until expended; and any amount authorized but not appropriated for any fiscal year may be appropriated for any succeeding fiscal year. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advance or progress payments on account of any grant made pursuant to this Act.

EMERGENCY PROGRAM

SEC. 5. Prior to July 1, 1967, Federal financial assistance may be provided pursuant to section 3 where (1) the program for the development of a unified or officially coordinated urban transportation system, referred to in section 4(a), is under active preparation although not yet completed, (2) the facilities and equipment for which the assistance is sought can reasonably be expected to be required for such a system, and (3) there is an urgent need for their preservation or provision. The Federal grant for such a project shall not exceed one-half of the net project cost: *Provided,* That where a Federal grant is made on such a one-half basis, and the planning requirements specified in section 4(a) are fully met within a three-year period after the execution of the grant agreement, an additional grant may then be made to the applicant equal to one-sixth of the net project cost. The remainder of the net project cost shall be provided, in cash, from sources other than Federal funds, and no refund or reduction of that portion so provided shall be made at any time unless there is at the same time a refund of a proportional amount of the Federal grant.

RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROJECTS

SEC. 6. (a) The Administrator is authorized to undertake research, development, and demonstration projects in all phases of urban mass transportation (including the development, testing, and demonstration of new facilities, equipment, techniques, and methods) which he determines will assist in the reduction of urban transportation needs, the improvement of mass transportation service, or the contribution of such service toward meeting total urban transportation needs at minimum cost. He may undertake such projects independently or by contract (including working agreements with other Federal departments and agencies). In carrying out the provisions of this section, the Administrator is authorized to request and receive such information or data as he deems appropriate from public or private sources.

(b) The Administrator may make available to finance projects under this section not to exceed $10,000,000 of the mass transportation grant authorization provided in section 4(b), which limit shall be increased to $20,000,000 on July 1, 1965, and to $30,000,000 on July 1, 1966. In addition, notwithstanding the provisions of section 4 of this Act or of section 103(b) of the Housing Act of 1949,[1] the unobligated balance of the amount available for mass transportation, demonstration grants pursuant to the proviso in such section 103(b)[1] shall be available solely for financing projects under this section.

(c) Nothing contained in this section shall limit any authority of the Administrator under section 602 of the Housing Act of 1956[2] or any other provision of law.

[1] See 7-1.
[2] See 30-1.3.

RELOCATION REQUIREMENTS AND PAYMENTS

SEC. 7. (a) No financial assistance shall be extended to any project under section 3 unless the Administrator determines that an adequate relocation program is being carried on for families displaced by the project and that there are being or will be provided (in the same area or in other areas generally not less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the displaced families) an equal number of decent, safe, and sanitary dwellings available to those displaced families and reasonably accessible to their places of employment.

(b) Notwithstanding any other provision of this Act, financial assistance extended to any project under section 3 may include grants for relocation payments, as herein defined. Such grants may be in addition to other financial assistance for the project under section 3, and no part of the amount of such relocation payments shall be required to be contributed as a local grant. The term "relocation payments" means payments by the applicant to individuals, families, business concerns, and nonprofit organizations for their reasonable and necessary moving expenses and any actual direct losses of property, except goodwill or profit, for which reimbursement or compensation is not otherwise made, resulting from their displacement by the project. Such payments shall be made subject to such rules and regulations as may be prescribed by the Administrator, and shall not exceed $200 in the case of an individual or family, or $3,000 (or if greater, the total certified actual moving expenses) in the case of a business concern or nonprofit organization. Such rules and regulations may include provisions authorizing payment to individuals and families of fixed amounts (not to exceed $200 in any case) in lieu of their respective reasonable and necessary moving expenses and actual direct losses of property.

COORDINATION OF FEDERAL ASSISTANCE FOR HIGHWAYS AND FOR MASS TRANSPORTATION FACILITIES

SEC. 8. In order to assure coordination of highway and railway and other mass transportation planning and development programs in urban areas, particularly with respect to the provision of mass transportation facilities in connection with federally assisted highways, the Administrator and the Secretary of Commerce shall consult on general urban transportation policies and programs and shall exchange information on proposed projects in urban areas.

GENERAL PROVISIONS

SEC. 9. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act, the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402, except subsections

(c)(2) and (f), of the Housing Act of 1950.[1] Funds obtained or held by the Administrator in connection with the performance of his functions under this Act shall be available for the administrative expenses of the Administrator in connection with the performance of such functions.

(b) All contracts for construction, reconstruction, or improvement of facilities and equipment in furtherance of the purposes for which a loan or grant is made under this Act, entered into by applicants under other than competitive bidding procedures as defined by the Administrator, shall provide that the Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to any books, documents, papers, and records of the contracting parties that are pertinent to the operations or activities under such contracts.

(c) All contracts for construction, reconstruction, or improvement of facilities and equipment in furtherance of the purposes for which a loan or grant is made under this Act shall provide that in the performance of the work the contractor shall use only such manufactured articles as have been manufactured in the United States.

(d) As used in this Act—

(1) the term "States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States;

(2) the term "local public bodies" includes municipalities and other political subdivisions of States; public agencies and instrumentalities of one or more States, municipalities, and political subdivisions of States; and public corporations, boards, and commissions established under the laws of any State;

(3) the term "Administrator" means the Housing and Home Finance Administrator;

(4) the term "urban area" means any area that includes a municipality or other built-up place which is appropriate, in the judgment of the Administrator, for a public transportation system to serve commuters or others in the locality taking into consideration the local patterns and trends of urban growth; and

(5) the term "mass transportation" means transportation by bus or rail or other conveyance, either publicly or privately owned, serving the general public (but not including school buses or charter or sightseeing service) and moving over prescribed routes.

(e) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the funds necessary to carry out all functions under this Act except loans under section 3. All funds appropriated under this Act for other than administrative expenses shall remain available until expended.

[1] See 6-1.1.

(f) None of the provisions of this Act shall be construed to authorize the Administrator to regulate in any manner the mode of operation of any mass transportation system with respect to which a grant is made under section 3 or, after such grant is made, to regulate the rates, fares, tolls, rentals, or other charges fixed or prescribed for such system by any local public or private transit agency; but nothing in this subsection shall prevent the Administrator from taking such actions as may be necessary to require compliance by the agency or agencies involved with any undertakings furnished by such agency or agencies in connection with the application for the grant.

LABOR STANDARDS

SEC. 10. (a) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed with the assistance of loans or grants under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. The Administrator shall not approve any such loan or grant without first obtaining adequate assurance that required labor standards will be maintained upon the construction work.

(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a), the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z–15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276c).

(c) It shall be a condition of any assistance under this Act that fair and equitable arrangements are made, as determined by the Secretary of Labor, to protect the interests of employees affected by such assistance. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for (1) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements or otherwise; (2) the continuation of collective bargaining rights; (3) the protection of individual employees against a worsening of their positions with respect to their employment; (4) assurances of employment to employees of acquired mass transportation systems and priority of reemployment of employees terminated or laid off; and (5) paid training or retraining programs. Such arrangements shall include provisions protecting individual employees against a worsening of their positions with respect to their employment which shall in no event provide benefits less than those established pursuant to section 5(2)(f) of the Act of February 4, 1887 (24 Stat. 379), as amended. The contract for the granting of any such assistance shall specify the terms and conditions of the protective arrangements.

AIR POLLUTION CONTROL

SEC. 11. In providing financial assistance to any project under section 3, the Administrator shall take into consideration whether the facilities and equipment to be acquired, constructed, reconstructed, or improved will be designed and equipped to prevent and control air pollution in accordance with any criteria established for this purpose by the Secretary of Health, Education, and Welfare.

STATE LIMITATION

SEC. 12. Grants made under section 3 (other than grants for relocation payments in accordance with section 7(b)) for projects in any one State shall not exceed in the aggregate 12½ per centum of the aggregate amount of grant funds authorized to be appropriated pursuant to section 4(b).

Approved July 9, 1964.

For material pertaining to Mass Transportation, see Section 7-1, Section 7-5, and Section 10-2.3.

# 1. ATOMIC ENERGY COMMUNITY ACT OF 1955

[Public Law 221, 84th Congress; 69 Stat. 471; 42 U.S.C. 2301]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Atomic Energy Community Act of 1955".

* * *

## CHAPTER 1. DECLARATION, FINDINGS, AND PURPOSE

SEC. 11. DECLARATION OF POLICY.—It is hereby declared to be the policy of the United States of America that Government ownership and management of the communities owned by the Atomic Energy Commission shall be terminated in an expeditious manner which is consistent with and will not impede the accomplishment of the purposes and programs established by the Atomic Energy Act of 1954. To that end, it is desired at each community to—

a. facilitate the establishment of local self-government;

b. provide for the orderly transfer to local entities of municipal functions, municipal installations, and utilities; and

c. provide for the orderly sale to private purchasers of property within those communities with a minimum of dislocation.

SEC. 12. FINDINGS.—The Congress of the United States hereby makes the following findings concerning the communities owned by the Atomic Energy Commission:

a. The continued morale of project-connected persons is essential to the common defense and security of the United States.

b. In issuing rules and regulations required or permitted under this Act for the disposal of the communities and in disposing of the communities in accordance with the provisions of this Act and in accordance with the rules and regulations required or permitted by this Act, the Commission is acting under authority delegated to it by the Congress.

c. Funds of the United States may be provided for the disposal of the communities and for assistance in the operation of the communities thereafter under conditions which will provide for the common defense and promote the general welfare.

SEC. 13. PURPOSE.—It is the purpose of this Act to effectuate the policies set forth above by providing for—

a. the maintenance of conditions which will not impede the recruitment and retention of personnel essential to the atomic energy program;

b. the obligation of the United States to contribute to the support of municipal functions in a manner commensurate with—

(1) the fiscal problems peculiar to the communities by reason of their construction as national defense installations, and

(2) the municipal and other burdens imposed on the governmental or other entities at the communities by the United States in its operations at or near the communities;

c. the opportunity for the residents of the communities to assume the obligations and privileges of local self-government; and

d. the encouragement of the construction of new homes at the communities.

## CHAPTER 2. DEFINITIONS

SEC. 21. DEFINITIONS.—The intent of Congress in the definitions as given in this section should be construed from the words or phrases used in the definitions. As used in this Act—

a. The term "Commission" means the Atomic Energy Commission.

b. The term "community" means that area at—

(1) Oak Ridge, Tennessee, designated on a map on file at the principal office of the Commission, entitled "Minimum Geographic Area, Oak Ridge, Tennessee", bearing the legend "Boundary Line, Minimum Geographic Area, Oak Ridge, Tennessee" and marked "Approved, 21 April 1955, K. D. Nichols, General Manager"; or

(2) Richland, Washington, designated on a map on file at the principal office of the Commission, entitled "Minimum Geographic Area, Richland, Washington", bearing the legend "Boundary Line, Minimum Geographic Area, Richland, Washington" and marked "Approved, 21 April 1955, K. D. Nichols, General Manager"; or

(3) [1] Los Alamos, New Mexico, designated on a map on file at the principal office of the Commission, entitled "Minimum Geographic Area, Los Alamos, New Mexico," bearing the legend "Boundary Line, Minimum Geographic Area, Los Alamos, New Mexico" and marked "Approved, April 5, 1962, A. R. Luedecke, General Manager."

c. The term "house" includes the lot on which the house stands.

d. The term "member of a family" means any person who, on the first offering date, resides in the same dwelling unit with one or more of the following relatives (including those having the same relationship through marriage or legal adoption): spouse, father, mother, grandfather, grandmother, brother, sister, son, daughter, uncle, aunt, nephew, niece, or first cousin.

e. The term "mortgage" shall include deeds of trust and such other classes of lien as are given to secure advances on, or the unpaid purchase price of real estate under the laws of the State in which the real estate is located.

f. The term "municipal installation" includes, without limitation, schools, hospitals, police and fire protection systems, sewerage and refuse disposal plants, water supply and distribution installations, streets and roads, libraries, parks, playgrounds and recreational means, municipal government buildings, other properties suitable for municipal or comparable local public service purposes, and any fixtures, equipment, or other property appropriate to the operation, maintenance or repair of the foregoing.

[1] Sec. 1 of Public Law 87-719, approved September 28, 1962, 76 Stat. 664, added subsection (3).

g. The term "occupant" means a person who, on the date on which the property in question is first offered for sale, is entitled to residential occupancy of the Government-owned house in question, or of a family dwelling unit in such house, in accordance with a lease or license agreement with the Commission or its property-management contractor.

h. The term "offering date" means the date the property in question is offered for sale.

i. The term "project area" means that area which on the effective date of this Act constitutes the Federal area at Oak Ridge, Tennessee, or Hanford, Washington, or [1] that area which, on the date Los Alamos is included within this Act, constitutes the County of Los Alamos, New Mexico, excluding therefrom, however, that land which is, on said date, under the administrative control of the National Park Service of the Department of the Interior.

j. The term "project-connected person" means any person who, on the first offering date, is regularly employed at the project area in one of the following capacities:

(1) An officer or employee of the Commission or any of its contractors or subcontractors, or of the United States or any agency thereof (including members of the Armed Forces), or of a State or political subdivision or agency thereof;

(2) An officer or employee employed at a school or hospital located in the project area;

(3) A person engaged in or employed in the project area by any professional, commercial, or industrial enterprise occupying premises located in the project area; or

(4) An officer or employee of any church or nonprofit organization occupying premises located in the project area.

k. The term "resident" means any person who, on the date on which the property in question is first offered for sale is either—

(1) an occupant in a residential unit designated for sale at the community, or

(2) a project-connected person who is entitled, in accordance with a lease or similar agreement, to residential occupancy of privately owned rental housing in the community.

l. The term "utility" means any electrical distribution system, any[2] natural gas distribution system, any public transportation system, or any public communication system, and any fixtures, equipment, or other property appropriate to the operation, maintenance or repair of the foregoing.

m.[3] The terms "single" and "single family" when used in connection with "house" or "residential property" shall include each separate unit of a residential structure which the Commission has classified as a residential structure containing two or more separate single family units pursuant to section 41 c. of this Act.

[1] Sec. 2 of Public Law 87-719, approved September 28, 1962, 76 Stat. 664, added the remainder of this sentence.
[2] Sec. 3 of Public Law 87-719, approved September 28, 1962, 76 Stat. 664, inserted "any natural gas distribution system."
[3] Added by sec. 4 of Public Law 87-719, approved September 28, 1962, 76 Stat. 664.

## CHAPTER 3. LOTS, APPRAISALS, AND PRICES

SEC. 31. LOTS.—The Commission is authorized to plat each community immediately upon passage of this Act, or immediately upon the inclusion of the community within the provisions of this Act. The Commission may establish lot boundaries, and realine, divide, or enlarge existing tracts as it deems appropriate.

SEC. 32. APPRAISALS.—The Commission shall proceed to secure appraisals of all property at the community which is to be sold pursuant to this Act. The appraisals shall be made by the Federal Housing Commissioner or his designee. The [1] Federal Housing Commissioner shall be reimbursed from the Community Disposal Operations Fund for the cost of such appraisals. Appraisals made under this section shall be the appraisals on which the Federal Housing Commissioner may insure any mortgage or loan under the National Housing Act [2] until such time as he finds that the appraisal values generally in the community no longer represent the fair market values of the properties.

SEC. 33. BASIS OF APPRAISAL.—Except for lots sold pursuant to the provisions of section 57a., the appraised value shall be the current fair market value of the Government's interest in the property.

SEC. 34. POSTING.—Lists showing the appraised value of each parcel of property to be offered for sale to priority purchasers shall, prior to the offering of such property for sale, be made available for public inspection, at reasonable times, at the offices of the Commission at the community.

SEC. 35. SALES PRICES.—

a. In the sale to priority purchasers of properties on which are located Government-owned single or duplex houses, the sales price shall be the appraised value less a deduction of 15 per centum of the appraised value and less the deductions provided by section 36.

b. In all other cases the sales price to priority purchasers shall be the appraised value less the deductions provided by section 36, except that sales made under sections 53 b. and c. shall be made at the prices set forth therein.

c.[3] The appraised value of the Government's interest in commercial property shall, in the cases where renegotiation of the lease is requested by the lessee under the provisions of section 161 e. of the Atomic Energy Act of 1954, as amended, be based upon the renegotiated lease if any is agreed on.[4] Where such renegotiations are requested, the sales proceedings shall not be initiated until the completion of the renegotiation.

[1] Immediately prior to amendment by sec. 5 of Public Law 87-719, approved September 28, 1962, 76 Stat. 664, this sentence read: "The Commission shall reimburse the Federal Housing Commissioner for the cost of such appraisals."

[2] See 4-1 for provisions of the National Housing Act.

[3] Subsection c. was added by sec. 202 of Public Law 85-162, 85th Congress, approved August 21, 1957, 71 Stat. 403, 410.

[4] Sec. 203 of Public Law 85-162, 85th Congress, approved August 21, 1957, 71 Stat. 403, 410 provides that "The Atomic Energy Commission, the Federal Housing Administration, and the Housing and Home Finance Agency shall report to the Joint Committee by January 31, 1958, with respect to the renegotiations, reappraisals, and sales proceedings authorized."

SEC. 36. IMPROVEMENTS.—

a. In addition to any other deduction which may be permitted from the sales price for [1] property, there shall, upon application by the prospective purchaser, be deducted the amount by which the current fair market value of the Government's interest in the premises is enhanced as a result of improvements to the premises made by, or at the expense of, the prospective purchaser: *Provided,*[2] That, with reference to commercial property, the improvement credit allowed shall be the value of the enhancement of the Government's interest in the property, as determined by the Commission on the basis of the appraisal provided for under section 32: *Provided further,*[2] That such credit shall be reduced to the extent that lessee has been previously compensated therefor, as determined by the Commission, under the terms of the lease or otherwise.

b.[3] An occupant of a single family or duplex house shall, upon application therefor, be entitled to a credit, against the purchase price of any residential property purchased through the exercise of a priority right established under the provisions of section 42, for the amount by which the current fair market value of the Government's interest in the single family or duplex house of which he was an occupant is enhanced as a result of improvements to the premises of such single family or duplex house made by, or at the expense of, such occupant.

c. The value of the improvements as specified in subsections 36 a. and b. shall be determined in accordance with the provisions of section 32.

d. Persons purchasing property pursuant to the provisions of section 52, who do not desire to avail themselves of the indemnity provisions contained in sections 63 through 66, shall be entitled to an additional deduction of 10 per centum of the appraised value of the property in addition to any other deduction set forth in this section.

## CHAPTER 4. CLASSIFICATION OF PROPERTY AND PRIORITIES

SEC. 41. CLASSIFICATION OF PROPERTY.—

a. Immediately upon passage of this Act, or,[4] in the case of Los Alamos, upon its inclusion within this Act, the Commission shall

[1] The word "residential" deleted at this place by section 1 of Public Law 802, 84th Congress, approved July 25, 1956, 70 Stat. 653.

[2] This proviso added by section 1 of Public Law 802, 84th Congress, approved July 25, 1956, 70 Stat. 653.

[3] Immediately prior to amendment by sec. 6 of Public Law 87-719, approved September 28, 1962, 76 Stat. 664, sec. 36b read as follows:

"b. A junior occupant of a duplex house, which was purchased by the senior occupant, shall, upon application therefor, be entitled to a credit, against the purchase price of any residential property purchased through the exercise of a priority right established under the provisions of section 42, for the amount by which the current fair market value of the Government's interest in the duplex house of which he was an occupant is enhanced as a result of improvements to the premises of such duplex house made by, or at the expense of, the junior occupant."

[4] Sec. 7 of Public Law, 87-719, approved September 28, 1962, 76 Stat. 664, inserted "or, in the case of Los Alamos, upon its inclusion within this Act,".

classify all real property (including such improvements and such fixtures, equipment and other personal property incident thereto as it may deem appropriate) within each community in accordance with such classifications as shall insure reasonably similar treatment for reasonably similar property. The Classification shall be made by such procedures, consistent with this chapter, as it shall determine.

b. The commission may, but shall not be required to, classify any other real property at or in the vicinity of the community, whether within or outside of that community.

c.[1] Prior to the date any residential property is first offered for sale at Los Alamos, the Commission shall further classify each residential structure within the community of Los Alamos either as a single family house, a duplex house, an apartment house, a dormitory, or as a residential structure containing two or more separate single family units and shall post, at the offices of the Commission at Los Alamos, a list, available for public inspection at reasonable times, showing the classification of each such residential structure. For the purposes of this Act, each such residential structure will thereafter be deemed to be a single family house, a duplex house, an apartment house, a dormitory, or a residential structure containing two or more separate single family units in accordance with its classification. In determining the classification of each such residential structure containing two or more single family units, the Commission shall consider (1) the practicability of selling separately the single family units, and (2) the insurability of mortgages under section 223(a) of the National Housing Act,[2] as amended.

SEC. 42. PRIORITIES.—The Commission shall establish, by rule or regulation, a detailed system of reasonable and fair priority rights applicable to the sale of Government-owned property to private purchasers at each community. The priorities shall—

a. be uniform in each class or subclass of property;

b. give such preference to ocupants and project-connected persons and to incoming employees of the Commission, of a contractor, or of a licensee as the Commission finds necessary or desirable, giving due consideration to the following factors:

(1) The retention and recruitment of personnel essential to the atomic energy program;

(2) The minimization of dislocations within the community;

(3) The expeditious accomplishment of the disposal program; and

(4) The desirability of encouraging private firms to locate or remain in the community;

c. give the occupant of a Government-owned single family house, and the senior occupant of a duplex house, at least ninety days in which to exercise the first right of priority;

[1] Added by sec. 8 of Public Law 87-719, approved September 28, 1962, 76 Stat. 664.
[2] See 4-1.2 for provisions of Section 223(a) of the National Housing Act.

d. permit persons who have formerly been occupants, project-connected persons, or inhabitants of the community, upon application therefor, to have such priority as the Commission finds to be fair and equitable; and

e. not impair any rights, including purchase rights, conferred by existing leases and covenants;

SEC. 43. TRANSFERABILITY.—No priority shall be transferable, except—

a. a husband and wife may exercise a priority in their joint names;

b. a religious organization may exercise the priority which would otherwise belong to its priest, minister, or rabbi, regardless of whether that position happens to be filled at the time of the exercise of the priority;

c. two or more priority holders having a common interest in a building or location may assign their interests to a single assignee; and

d. the Commission may permit such other transfers as it finds to be fair and equitable.

## CHAPTER 5. SALES OF PROPERTY FOR PRIVATE USE

SEC. 51. APPLICATION.—The provisions of this chapter shall be made applicable at each community as soon as the Commission makes a finding [1] in writing that there is a reasonable possibility that the Government-owned real property at such community can be disposed of in accordance with the provisions of this chapter.

SEC. 52. DISPOSAL OF PROPERTY.—

a. The Commission shall offer for disposal all real property (including such improvements thereon and such fixtures, equipment, and other personal property incident thereto as it may deem appropriate) within the community which is presently under lease or license agreement with the Commission or its community management contractor for residential, commercial or industrial, agricultural, church or other nonprofit use, or which, in the opinion of the Commission, is appropriate for such use, other than—

(1) structures which in the opinion of the Commission should be removed from the community because of their unsatisfactory type of construction, condition, or location; or

(2) property which in the opinion of the Commission should be transferred pursuant to chapter 7 or chapter 8; or

(3)[2] property which in the opinion of the Commission should be retained by the Commission for its own use.

b. The Commission may, but shall not be required to, dispose of any other real property at the community, whether within or outside of that community.

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[1] This finding was made for Oak Ridge, Tennessee effective July 11, 1956 (21 Fed. Reg. 5135), and for Richland, Washington, effective February 11, 1957 (22 Fed. Reg. 895).

[2] Added by sec. 9 of Public Law 87-719, approved September 28, 1962, 76 Stat. 665.

c. Such property shall be disposed of on such terms and conditions, consistent with this chapter, as the Commission shall prescribe in the national interest, and without regard to any preferences or priorities whatever except those provided for pursuant to this Act. Transfers by the Commission of such property shall not impair rights under existing leases and covenants, including any purchase rights therein conferred.

SEC. 53. SALES.—

a. Where rights of priority have been granted pursuant to the provisions of this Act to Government-owned property, it shall be offered for sale to priority purchaser by giving notice to those eligible for such priority. Such notice shall (1) be in such manner as the Commission shall prescribe, (2) identify the property to be sold, and (3) state the terms and conditions of sale and the date of the offer which, in the case of occupants of single family or duplex houses, shall expire not less than ninety days after the date of the offer.

b. Any property (other than church property) classified for sale under section 41 and offered for sale under section 52, as to which no priority right has been conferred, or as to which all priority rights have expired, shall be advertised for sale to the highest bidder, subject to the right of the Commission to reject any or all bids.[1] No bid shall be accepted which is below the appraised value or, in the case of Government-owned single and duplex houses is below 85 per centum of the appraised value.

c. As to any property which has not been sold under subsection 53 b. within ninety [2] days after the first advertisement for sale under subsection 53 b. the Commission may make such disposition, on such terms and conditions, as it may deem appropriate.[3]

d. Property for use of churches, in respect of which all priority rights have expired, may be disposed of by advertising and competitive bid, or by negotiated sale or other transfer at such prices, terms, and conditions as the Commission shall determine to be fair and equitable.

SEC. 54. CASH SALES.—All sales shall be for cash, and the buyer shall arrange for the necessary financing, except as provided in chapter 6 of this Act.

SEC. 55. FORM AND PROVISIONS OF INSTRUMENTS.—Deeds executed in connection with the disposal of property pursuant to the provisions of this Act—

a. shall be as simple as the Commission shall find to be appropriate, and may contain such warranties or covenants of title and

[1] Sec. 10 of Public Law 87-719, approved September 28, 1962, 76 Stat. 665, deleted the remainder of this sentence which read: "and also subject to the right of an occupant of a Government-owned single family or duplex house to buy such house by paying an amount equal to the highest bid."

[2] Public Law 87-174, approved August 30, 1961, 75 Stat. 409, substituted "ninety days" for "one year."

[3] Sec. 11 of Public Law 87-719, approved September 28, 1962, 76 Stat. 665, deleted the remainder of this subsection which read: "but the Commission shall give an occupant of a Government-owned single family or duplex house such further opportunity to purchase such house as shall be fair and equitable."

other provisions (including any indemnity) as the Commission may deem appropriate;

b. with respect to any dormitories or apartment houses and any property used or to be used for construction of housing developments for rental purposes, may retain or acquire such rights to the Commission to designate the future occupants of part or all of such properties as it may deem appropriate to insure the availability of housing for employees of the Commission and its contractors;

c. may require that the transferee, his heirs, successors, and assigns shall compensate the Commission for any municipal services provided by the Commission at rates which will not be in excess of the average tax for such services in the immediate vicinity of the community; and any amounts due and unpaid for such compensation (together with interest and costs thereon) shall, as of the date on which such amounts become delinquent, be a lien in favor of the United States upon the premises sold by the Commission, though not valid as against any mortgagee, pledgee, purchaser, or judgment creditor until notice thereof has been filed in accordance with the laws of the State in which the property is situated or in the office of the clerk of the United States district court for the judicial district in which the property subject to the lien is situated, if such State has not by law provided for the filing of such notice;

d. in transferring any property pursuant to sections 31 and 52, may impose such restrictions and requirements relating to the use of the premises and to public health and safety, as the Commission may deem appropriate, which restrictions and requirements shall not be valid beyond one year after the incorporation of the city at the community or [1] after June 30, 1966, in the case of Los Alamos; and

e. may require that any payments in lieu of property taxes or assessments for local improvements made by the Commission with respect to the property shall be equitably prorated.

SEC. 56. OCCUPANCY BY EXISTING TENANTS.—Upon application by any occupant of a single or duplex house made within the period of the first priority when such house is first offered for sale under this Act, the Commission shall execute a lease to such occupant for a period not to exceed one year from the date on which such property is first offered for sale, or for such period as he remains a project-connected person, whichever is shorter. In selling any house with respect to which a lease executed under this section is in effect, the Commission may provide that the purchaser shall assume any or all obligations of the lessor, but the Commission shall guarantee the lessee's performance under the terms of the lease.

SEC. 57. LOTS.—

a. Notwithstanding any other provision of this Act, the Commission is authorized, immediately upon passage of this Act, or immediately upon the inclusion of the community within the

[1] Sec. 12 of Public Law 87-719, approved September 28, 1962, 76 Stat. 665, inserted "or after June 30, 1966, in the case of Los Alamos".

provisions of this Act, to offer for sale to the lessees single residential lots, which were leased by competitive bid and which do not have a Government-owned building thereon, at a price equal to the initial valuation of the lot as stated in the lease.

b. The Commission is authorized to offer for sale, as soon as possible, other lots, to individual owners, upon which single family or duplex houses may be erected, taking into consideration the zoning restrictions the new city is likely to enact with respect to those lots. The [1] zoning restrictions to be taken into account at Los Alamos shall be those which the local government is likely to enact with respect to those lots.

SEC. 58.[2] COOPERATIVES.—The Commission may grant to cooperatives, the entire initial membership of which is restricted to project-connected persons, such priorities for the purchase of apartment buildings as the Commission determines fair and reasonable. The priority with respect to each cooperative shall terminate if within such time as the Commission may prescribe the cooperative has not obtained one hundred per centum initial membership consisting of project-connected persons. The 15 per centum deduction specified by subsection 35 a., the deduction provided by 36 d., the financing provisions of section 62, and the indemnity provided by sections 63, 64, 65, and 66 shall be applicable to priority sales of apartment buildings to such cooperatives. The term "cooperative" as used herein means a corporation or a trust of the character described in section 213(a)(1) of the National Housing Act,[3] as amended.

## CHAPTER 6. FINANCING

SEC. 61. CONTRACT PURCHASE.—The Commission may, in the sale of any single-family or duplex house to a priority purchaser, enter into a contract to purchase which provides that the purchaser shall conclude his purchase within not more than three years after the date the contract is entered into. Such contracts to purchase shall provide for such periodic payments, including payments on account of principal, interest, or tax equivalents, as the Commission shall prescribe.

SEC. 62. COMMISSION FINANCING.—

a. In the event that the Commission finds that financing on reasonable terms is not available from other sources, the Commission may, in order to facilitate the sale of residential property under chapter 5 of this Act, accept, in partial payment of the purchase price of any such property [4] notes secured by first mortgages on such terms and conditions as the Commission shall deem appropriate. In the case of houses and apartment buildings, the maturity and percentage of appraised value in connection with such notes and mortgages shall not exceed those prescribed under section 223 (a) of the National Housing Act,[5] as amended, and the

[1] Sec. 13 of Public Law 87-719, approved September 28, 1962, 76 Stat. 665, inserted this sentence.
[2] Sec. 14 of Public Law 87-719, approved September 28, 1962, 76 Stat. 665, added sec. 58.
[3] See 4-1.2 for the provisions of Section 213 (a)(1) of the National Housing Act.
[4] Sec. 15 of Public Law 87-719, approved September 28, 1962, 76 Stat. 665, substituted "such property" for "house, apartment building, or dormitory".
[5] See 4-1.2 for the provisions of Section 223(a) of the National Housing Act.

interest rate shall equal the interest rate plus the premium being charged (and any periodic service charge being authorized by the Federal Housing Commissioner for properties of similar character) under section 223 (a) of the National Housing Act,[1] as amended, at the effective date of such notes and mortgages.

b.[2] In connection with the sale of residential property financed under section 62 a. of this Act, the Commission is authorized to make advances for necessary repairs, or for the rehabilitation, modernization, rebuilding or enlargement of single and duplex residential properties to priority purchasers, and to include such advances in the amount of the note secured by the mortgage on such property.

c.[3] In the event that the Commission finds that financing on reasonable terms is not available from other sources, the Commission may, in order to facilitate the sale of commercial property under chapter 5 of this Act, accept, in partial payment of the purchase price of any commercial property notes secured by first mortgages on such terms and conditions as the Commission shall deem appropriate.

d.[4] The Commission may sell any notes and mortgages acquired under subsections a. and c. of this section on terms set by the Commission. Notwithstanding any other provisions of law and without regard to the provisions of section 3709 of the Revised Statutes, the Commission may, in accordance with such terms and conditions as it may prescribe, (1) enter into contracts for servicing any of the notes and mortgages it has acquired, and (2) sell or enter into contracts to sell to a servicer any notes and mortgages with respect to which a servicing contract has been entered into by the servicer with the Commission: *Provided,* That with respect to sales of notes and mortgages under (2) the Commission shall comply with section 3709 of the Revised Statutes unless it determines that such compliance would not be feasible.

SEC. 63. COMMISSION INDEMNITY.—For a period of not more than fifteen years after the date of enactment of this Act, or,[5] in the case of Los Alamos, not more than fifteen years after the date it is included within this Act, the Commission shall indemnify the purchaser (except a purchaser taking advantage of the provisions of subsection 36 (d)), and any successor in title, of any such single family or duplex house as set forth in this chapter. This indemnity shall be deemed to be incorporated in the deeds given on the sale of Government-owned houses. One person may not invoke the indemnity in respect of more than one house.

SEC. 64. COMMUNITY EMPLOYMENT AND POPULATION.—The indemnity obligation specified in section 63 shall arise only if, for the six months just preceding the date on which it is invoked—

[1] Sec. 4-1.2 for the provisions of Section 223 (a) of the National Housing Act.
[2] Subsection b. amended to read as set forth in the text by section 2 of Public Law 802, 84th Congress, approved July 25, 1956, 70 Stat. 653.
Prior to amendment subsection b. read as follows: "The Commission may sell any such notes and mortages on terms set by the Commission."
[3] This subsection added by subsection 2 of Public Law 802, 84th Congress, approved July 25, 1956, 70 Stat. 653.
[4] Immediately prior to amendment by sec. 16 of Public Law 87-719, approved September 28, 1962, 76 Stat. 665, subsection (d) read as follows: "d. The Commission may sell any notes and mortages acquired under subsections a. and c. hereof on terms set by the Commission."
[5] This clause added by sec. 17 of Public Law 87-719, approved September 28, 1962, 76 Stat. 666.

(a) the total number of operating, maintenance, and administrative employees in the project area, as determined by the Commission, has been less than fourteen thousand three hundred and thirty-seven in the case of Oak Ridge or seven thousand six hundred and twenty-two in the case of Richland or [1] four thousand six hundred and twenty in the case of Los Alamos; and

(b) the population in the community has been less than twenty-nine thousand two hundred and fifty in the case of Oak Ridge or twenty-five thousand two hundred in the case of Richland or [2] eleven thousand seven hundred and sixty-nine in the case of Los Alamos.

For purposes of this section employment shall be determined on the basis of the pay period or periods ending nearest the 15th of each month.

SEC. 65. AMOUNT OF INDEMNITY.—The indemnity obligation of the Commission specified in section 63 shall be for such amount, less the sales price of the property, as would have remained unpaid under a loan entered into on the date of the execution of the original deed by the Commission—

(1) which was in the amount of the purchase price from the Commission and provided for equal monthly payments of principal and interest over a period of twenty years computed on the basis of the average interest and other charges recorded for property of the same class at the community; and

(2) on which all payments due to the date when notice was received by the Commission had been made.

SEC. 66. CONDITIONS OF INDEMNITY.—The Commission shall make the indemnity payment specified by section 65 only if the Commission receives a notice from the then owner of the property that he is about to sell the property for a sum less than the unpaid balance of the real or hypothetical loan calculated pursuant to section 65. Such payment shall be made only if—

a. notice is given to the Commission at a time when the conditions of section 64 are satisfied;

b. the sale is made within such time as the Commission may prescribe and in a manner which the Commission determined to afford adequate assurance of a fair price without excessive costs; and

c. the Commission is given such prior notice of the sale and such opportunity to become a purchaser as it shall prescribe.

In such circumstances the Commission is hereby authorized to purchase the property. Sales pursuant to this section and payment by the Commission of such amount, if any, as is owing pursuant to sections 63 through 66 shall end the obligation of the Commission under sections 63 through 66 with respect to that property.

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[1] Sec. 18 of Public Law 87-719, approved September 28, 1962, 76 Stat. 666, inserted "or four thousand six hundred and twenty in the case of Los Alamos".
[2] Sec. 19 of Public Law 87-719, approved September 28, 1962, 76 Stat. 666, inserted "or eleven thousand seven hundred and sixty-nine in the case of Los Alamos".

## CHAPTER 7. UTILITIES

Sec. 71. AUTHORIZATION TO TRANSFER UTILITIES.—The Commission is authorized to transfer to one or more of the entities specified in this chapter such utilities as in the judgment of the Commission will be appropriate to enable the transferee to meet the needs of the residents of the community for adequate utility services of the kind to be transferred.

Sec. 72. DATE OF TRANSFER.—Transfers of utilities shall be made as soon as possible, but in any event, not later than five years after the date of enactment of this Act in the case of Oak Ridge and Richland, or, in the case of Los Alamos, not later than five years after the date it is included within this Act.

Sec. 73. ENTITY RECEIVING TRANSFER.—

a. Transfer may be made to one or more of the following, if the transferee has the legal authority to receive and operate the utility.

(1) the city at the community;

(2) the State in which the community is located;

(3) any political subdivision or agency of that State; or

(4) any person, firm, corporation, or other legal entity.

b. In determining the transferee for any utility, the Commission may consider the following:

(1) the pattern of ownership of the comparable utilities in the State in which the community is located;

(2) the ability of the transferee to operate the utility;

(3) the probable price of the sale of the utility, the ability of the transferee to pay that price, and any probable expense;

(4) the desires of the eligible voters of the community as directly expressed in any vote in any officially recognized procedure or in any procedure established by the Commission; and

(5) the benefit to the United States in reducing possible requirements for local assistance as authorized in chapters 8 and 9 of this Act.

Sec. 74. UTILITIES TRANSFERABLE.—All utilities are authorized to be transferred under this chapter, but shall not include property which the Commission determines to be needed for its own use.

Sec. 75. CHARGES FOR UTILITIES TRANSFERRED.—The Commission may give the utility to the city incorporated at the community; and must charge in selling the utility to any other transferee: *Provided,* That at Los Alamos, utilities may be given to the county or other local governmental entity. The charges and terms for the transfer

of any utility may be established by advertising and competitive bid, or by negotiated sale or other transfer at such prices, terms, and conditions as the Commission shall determine to be fair and equitable.

## CHAPTER 8. MUNICIPALITIES

Sec. 81. ASSISTANCE IN ORGANIZATION.—The Commission is authorized, for a period not to extend beyond five years after the date of enactment of this Act in the case of Oak Ridge and Richland, or, in the case of Los Alamos, not to extend beyond five years after the date it is included within this Act, to cooperate with and assist the residents of the community in preparation for and establishment of local self-government and in the transfer of municipal installations and responsibilities to local entities. Such assistance may include payment of any amounts reasonably necessary to meet expenses incident to the establishment and organization of a city government and other local entities at the community, until such time as the municipal installations are transferred in accordance with the provisions of this chapter.

Sec. 82. AUTHORIZATION TO TRANSFER MUNICIPAL INSTALLATIONS.—The Commission is authorized to transfer to one or more of the entities specified in this chapter such municipal installations as in the judgment of the Commission, will be appropriate to enable the transferees to meet the needs of the residents of the community for adequate school, hospital, and other municipal services.

Sec. 83. DATE OF TRANSFER.—Transfers of municipal installations may be made at any time, not later than five years after the date of enactment of this Act in the case of Oak Ridge and Richland, or, in the case of Los Alamos, not later than five years after the date it is included within this Act.

Sec. 84. ENTITY RECEIVING TRANSFER.—

a. Transfers may be made to one or more of the following, if the entity has the legal authority to receive the installation: (1) the city at the community; (2) the State in which the community is located; (3) any political subdivision or agency of that State; or (4) a private nonprofit organization in the case of the hospital installation or cemetery at the community.

b. In determining the entity to which school, hospital, and other municipal installations, respectively, shall be transferred, the Commission shall be governed, in order, by

(1) the results of a vote in which the eligible voters in the community expressed themselves directly on the transfer in the vote on the incorporation of the city;

(2) the results of a vote in which the eligible voters have directly expressed themselves on the proposed transfer in a referendum or other officially recognized procedure;

(3) there being only one entity which is legally authorized to receive the municipal installation; or

(4) in the absence of the other alternatives, the Commission has conducted a vote of the eligible voters of the community on the proposed transfer under such procedures as it may establish.

Sec. 85. INSTALLATIONS TRANSFERABLE.—All municipal installations are authorized to be transferred under this chapter, but shall not include property which the Commission determines to be needed for its own use.

Sec. 86. CHARGES FOR MUNICIPAL INSTALLATIONS TRANSFERRED.—The transfer of any municipal installation authorized to be made under the provisions of this chapter may be made without charge to the entity receiving the installation.

## CHAPTER 9. LOCAL ASSISTANCE

Sec. 91. BASIS OF ASSISTANCE TO CITIES AND OTHER STATE AND LOCAL ENTITIES.—

a. From the date of transfer of any municipal installations to a governmental or other entity at or for the community, the Commission shall, for a period of ten years, make annual assistance payments of just and reasonable sums to the State, county, or local entity having jurisdiction to collect property taxes or to the entity receiving the installation transferred hereunder. In determining the amount and recipient of such payments, the Commission shall consider—

(1) the approximate real property taxes and assessments for local improvements which would be paid to the governmental entity upon property within the community if such property were not exempt from taxation by reason of Federal ownership;

(2) the maintaining of municipal services at a level which will not impede the recruitment or retention of personnel essential to the atomic energy program;

(3) the fiscal problems peculiar to the governmental entity by reason of the construction at the community as a single purpose national defense installation under emergency conditions; and

(4) the municipal services and other burdens imposed on the governmental or other entities at the community by the United States in its operations in the project area.

b. Special interim payments may be made under the provisions of this section to any governmental entity which—

(1) has a special burden due to the requirements under law imposed upon it in assisting in effectuating the purposes of this Act for which it will not otherwise receive adequate compensation or revenues; or

(2) will suffer a tax loss or lapse in place of which it will not receive any other adequate revenues until the new governmental entities contemplated by this chapter are receiving their normal taxes and performing their normal functions.

c. Payments made under this section shall be payments made for special burdens imposed on the local governmental entities in accordance with the second sentence of section 168 of the Atomic Energy Act of 1954. Payments may be made under this section notwithstanding the provisions of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), as amended.

d. With respect to any entity not less than six months prior to the expiration of the ten-year period referred to in subsection a. of this section, the Commission shall present to the Joint Committee on Atomic Energy its recommendation as to the need for any further contribution payments to such entity. If it recommends further contribution payments, it shall propose a definite schedule of such contribution payments which will provide for an orderly and reasonably prompt withdrawal of the Atomic Energy Commission from participation in and contribution toward local government.

Sec. 92. COMMISSION REDUCTIONS.—Any payment which becomes due under section 91 prior to the transfer of all municipal installations at the community may be reduced by such amount as the Commission determines to be equitable based on the municipal services then being performed by the Commission, and the municipal services then being performed by such governmental entity.

Sec. 93. AREAS OF SERVICE.—The payments made pursuant to section 91 to transferees of municipal installations are in anticipation that the respective recipients of those payments furnish, or have furnished, for the community, the school, hospital, or other municipal services in respect of which the payments are made. Any such payment may be withheld, in whole or in part, if the Commission finds that the recipient is not furnishing such services for any part of the areas so designated.

Sec. 94. COMMISSION CONTRACTS.—The Commission is authorized, without regard to section 3679 of the Revised Statutes, to enter into a contract with any governmental or other entity to which payments are required to be made pursuant to section 91, obligating the Commission to make to such entity the payments as directed to be made by section 91.

## CHAPTER 10. TRANSFER OF FUNCTIONS, AND REVIEW

SEC. 101. TRANSFER OF FUNCTIONS.—The President is authorized to delegate [1] the duties and responsibilities placed on the Commission by this Act to such other agencies of the United States Government as are reasonably qualified to perform those duties and responsibilities. The President may delegate any or all of the duties and responsibilities of the Commission in the operation of the communities to such other agencies of the United States Government that are reasonably qualified to perform those duties and responsibilities. The Commission shall retain no financing duties and responsibilities.

SEC. 102. REVIEW.—The Commission shall present to the Joint Committee on Atomic Energy of the Congress a full review of its activities under this Act every three years in addition to any other presentation which may be required or requested by the Joint Committee.

SEC. 103. JOINT COMMITTEE ON ATOMIC ENERGY.—The provisions of chapter 17 of the Atomic Energy Act of 1954 shall be applicable to all matters under this Act.

## CHAPTER 11. GENERAL PROVISIONS

SEC. 111. POWERS OF THE COMMISSION.—The Commission shall have all powers conferred by the Atomic Energy Act of 1954, including the power to make, promulgate, issue, rescind, and amend such rules, regulations, and delegations as may be appropriate to carry out the provisions of this Act and shall be subject to the limitations contained in chapter 14 of that Act. Nothing contained in this Act shall impair the powers vested in the Commission by the Atomic Energy Act of 1954, as amended, or any other law.

SEC. 112. QUALIFICATION TO PURCHASE.—No officer or employee of the Commission or of any other Federal agency (including officers and members of the Armed Forces) shall be disqualified from purchasing any property or exercising any right or privilege under this Act, but no such officer or employee shall make any determination as to his own eligibility or priority, or as to valuation, price, or terms of sale and financing of property sold to him.

SEC. 113. CONTRACT FORMS.—Contracts entered into pursuant to this Act and other instruments executed pursuant to this Act shall be in such form and contain such provisions, consistent with this Act, as the Commission shall prescribe; and shall be as simple and concise as possible. Any mortgage shall contain terms which will place the United States in the same position, with respect to any mortgages it may hold under the provisions of chapter 6, as that occupied by a private lender under the applicable State laws for the relief of mortgagors with respect to deficiency judgments.

SEC. 114. EVIDENCE.—A deed, lease, contract, or other instrument executed by or on behalf of the Commission purporting to transfer

[1] See Executive Order 10657, 15-1.2, delegating sales and financing functions with respect to residential and certain other properties to the Housing and Home Finance Administrator.

title or any other interest in property disposed of pursuant to this Act shall be conclusive evidence of compliance with the provisions of this Act and rules and regulations promulgated thereunder, insofar as concerns title or other interest of any bona fide grantee or transferee for value without notice of lack of such compliance, and his successors in title.

SEC. 115. ADMINISTRATIVE REVIEW.—Determinations authorized by this Act to be made by the Commission as to classification, priorities, prices, and terms and conditions of sale of property disposed under this Act shall be subject to review only in accordance with such provisions for administrative review or reconsideration as the Commission may prescribe.

SEC. 116. REPOSSESSION.—The Commission is authorized to repossess any property sold by it in accordance with the terms of any contract to purchase, mortgage or other instrument, and to sell or make any other disposition of any property so repossessed and any property purchased by it pursuant to section 66. [1]Notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, the Commission shall have power to deal with, complete, operate, rent, renovate, modernize, insure, or sell for cash or credit, in its discretion, any properties acquired pursuant to this Act, and to pursue to final collection, by way of compromise or otherwise, all claims arising pursuant to this section: *Provided,* That expenses authorized by this section shall be considered nonadministrative expenses: *Provided further,* That section 3709 of the Revised Statutes shall not apply to any contract entered into pursuant to this section if the amount thereof does not exceed $1,000.

SEC. 117 [2] a.—There is hereby established as of June 30, 1956, a Community Disposal Operations Fund, and the Commission (or the head of such agency as may be carrying out the sales and financing functions of the Commission pursuant to a delegation by the President under section 101 of this Act) is authorized to credit said fund with all moneys hereafter obtained or now held by it and to account under said fund for all assets and liabilities held or acquired by it in connection with its sales and financing functions under this Act, and to make temporary advances to such fund, from any other funds available for expenses of operations of such Commission or agency, as may be required to carry out such functions pending the realization of sufficient proceeds under the provisions of this Act: *Provided,* That any such advances shall be repaid to the source appropriation or fund, to the extent of any unobligated balances available in the Community Disposal Operations Fund, prior to the close of the fiscal year during which such advances are made.

[1] This sentence added by sec. 3 of Public Law 802, 84th Congress, approved July 25, 1956, 70 Stat. 653.

[2] Sec. 117 amended to read as set forth in the text by sec. 4 of Public Law 802, 84th Congress, approved July 25, 1956, 70 Stat. 653, 654. Prior to amendment section 117 read as follows: "The net proceeds derived by the Commission from the disposal of property pursuant to this Act, after defraying expenses incident to appraisal, sale or other transfer and any financing under section 62, shall be covered into the Treasury. Annually, upon advice of the Commission, there shall be transferred to miscellaneous receipts of the Treasury such portion of such net proceeds as may no longer be needed to meet the contingent obligations provided for in subsection 118 c."

b. The Community Disposal Operations Fund shall be available to pay for all necessary costs, expenses (including administrative expenses), losses or obligations incurred in connection with the aforesaid functions, including expenses incident to sale, or other transfer and any financing under section 62, indemnities under sections 63 through 66, and expenses authorized by section 116 of this Act, and expenses in connection with the defense and payment of any claims for breaches of warranties and covenants of title of any property disposed of pursuant to this Act.

c. Any amount in said fund which is determined to be in excess of requirements for the purposes thereof shall be declared and paid as liquidating dividends to the Treasury, not less often than annually.

SEC. 118. APPROPRIATIONS.—

a. There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this Act.

b. There are authorized to be appropriated the sum of $518,000 at Oak Ridge, the sum of $2,215,000 [1] at Richland and the sum of $8,719,000 [2] at Los Alamos for construction, modification, or expansion of municipal installations and utilities authorized to be transferred pursuant to chapter 7 and chapter 8 of this Act.

c. As much as may be necessary of net proceeds from section 117 are hereby appropriated and made available for use by the Commission (without fiscal year limitations) to pay any costs, losses, expenses, or obligations incurred by the Commission in connection with obligations entered into pursuant to section 37 or section 63, with repossession or repurchase, rehabilitation, and further disposition pursuant to sections 63 through 66 and section 116, and with the defense and payment of any claims for breaches of warranties and covenants of title of any property disposed of pursuant to this Act. REPEALED.[3]

SEC. 119. SEPARABILITY OF PROVISIONS.—If any provisions of this Act, or the application of such provision to any person or circumstances, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

* * * [4]

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[1] Increased from $2,165,000 to $2,215,000 by sec. 6 of Public Law 802, 84th Congress, approved July 25, 1956. 70 Stat. 654.

[2] Sec. 24 of Public Law 87-719, approved September 28, 1962, 76 Stat. 666, amended subsection b. by inserting "and the sum of $8,719,000 at Los Alamos". Sec. 24 further amended the remainder of this subsection by inserting "and utilities" following "municipal installations" and added the reference to chapter 7.

[3] Section 118 c. repealed by sec. 5 of Public Law 802, 84th Congress, approved July 25, 1956. 70 Stat. 654.

[4] The omitted sections are 201, which amends sec. 223(a) of the National Housing Act (see 4-1.2), and sec. 202 which amends sec. 8(d) of Public Law 874, 81st Congress, concerning Federal financial assistance for the operation and maintenance of schools in federally impacted areas.

SEC. 120.[1] DISPOSAL OF PROPERTY.—In addition to any other authority the Commission may have, the Commission is authorized, without regard to the provisions of section 3709 of the Revised Statutes, as amended, to lease land, and to sell, lease, including leases with options to purchase, and otherwise dispose of improvements thereon, and such equipment and other personal property as is determined to be directly related thereto, in the Commission's Hanford project in and near Richland, Washington, upon a determination by the Commission that such disposition will serve to prevent or reduce the adverse economic impact of actual or anticipated reductions in Commission programs in that area: *Provided, however,* That the compensation to the Government for any such disposition shall be the estimated fair market value or estimated fair rental value of the property as determined by the Commission: *Provided further,* That before the Commission makes any disposition of property under the authority of this section, the basis for the proposed disposition (with necessary background and explanatory data) shall be submitted to the Joint Committee on Atomic Energy, and a period of forty-five days shall elapse while Congress is in session (in computing such forty-five days, there shall be excluded the days on which either House is not in session because of adjournment of more than three days): *Provided, however,* That the Joint Committee on Atomic Energy, after having received the basis for the proposed disposition, may by resolution in writing waive the conditions of, or all or any portion of, such forty-five-day period.

Approved August 4, 1955.

[1] Added by sec. 4 of Public Law 88-394, approved August 1, 1964, 78 Stat. 376.

1. Disposal of AEC Properties

## 2. EXECUTIVE ORDER 10657 [1]

[21 Fed. Reg. 1063]

### TRANSFERRING TO THE HOUSING AND HOME FINANCE ADMINISTRATOR CERTAIN FUNCTIONS OF THE ATOMIC ENERGY COMMISSION UNDER THE ATOMIC ENERGY COMMUNITY ACT OF 1955 [2]

By virtue of the authority vested in me by the Atomic Energy Community Act of 1955 [2] (69 Stat. 471), hereinafter called the Act,[3] and particularly by section 101 thereof, and as President of the United States, it is ordered as follows:

Section 1. There are hereby transferred to the Housing and Home Finance Administrator (hereafter called the Administrator) all of the functions, duties, and responsibilities of the Atomic Energy Commission (hereinafter called the Commission) under sections 34 to 36, inclusive, sections 51 to 55, inclusive, section 57, sections 61 to 66, inclusive, and section 116, of the Act, and [4] under the third sentence of section 32 of the Act, with the following exceptions and qualifications:

(a) The Commission shall retain the power and duty of, and the responsibility for, (i) determining the property to be offered for disposal pursuant to section 52, the improvements to be designated as eligible for a credit under subsections 36a and 36b, the [5] extent to which a lessee has been previously compensated for improvements under subsection 36a, and the provisions and procedures to be adopted pursuant to subsections 55b to 55e, inclusive, and (ii) removing or transferring property pursuant to subsections 52a(1) and 52a(2).

(b) The Commission shall retain such duties and responsibilities under section 57a as it shall specify and give notice thereof to the Administrator.

(c)[6] The Administrator may reimburse the Federal Housing Commissioner, under the aforesaid third sentence of section 32 of the Act, from the Community Disposal Operations Fund established under section 117 of the Act.

Section 2. There shall be transferred to the Administrator, who shall thereafter exercise full jurisdiction in connection therewith, all

[1] Executive Order 10657 amended by Executive Order 10734, issued October 17, 1957, 22 Fed. Reg. 8275.
[2] See 15-1.1.
[3] Section 2 of Executive Order 10734 issued October 17, 1957, 22 Fed. Reg. 8275, provided that each reference to "the Act" in Executive Order 10657, as amended, shall be deemed to include, except as may be inappropriate, a reference to the Atomic Energy Community Act of 1955, as amended.
[4] Section 1 of Executive Order 10734, issued October 17, 1957, 22 Fed. Reg. 8275, inserted "and under the third sentence of section 32 of the Act".
[5] Section 1 of Executive Order 10734, issued October 17, 1957, 22 Fed. Reg. 8275, inserted "the extent to which a lessee has been previously compensated for improvements under subsection 36a, and".
[6] Section 1 of Executive Order 10734, issued October 17, 1957, 22 Fed. Reg. 8275, inserted paragraph (c).

interests, rights, powers, duties, and responsibilities of the United States, including any interests, powers, rights, duties, and responsibilities of the Commission under the Act or any act, with respect to the following (except such interests, powers, rights, duties, and responsibilities as the Commission and the Administrator may mutually agree shall be retained by the Commission):

(a) The property designated for disposal by the Commission pursuant to section 52 of the Act, including all interests, powers, rights, duties, and responsibilities arising as a result of deeds executed by the Commission pursuant to the provisions of subsection 57a of the Act.

(b) The deeds for church land and the deed to the State of Tennessee for National Guard purposes, executed by the Commission pursuant to the Atomic Energy Act of 1946, as amended, or the Atomic Energy Act of 1954, as amended.

Section 3. The transfers specified in section 2 hereof shall be effective:

(a) As to each parcel of property offered for disposal pursuant to the provisions of section 52 of the Act on the date the Administrator executes a deed as provided in section 55, or a contract to purchase as provided in section 61, with respect to each such parcel of property; and

(b) In the case of deeds executed by the Commission pursuant to the provisions of subsection 57a of the Act, or referred to under subsection 2(b) of this order, on the date of this order or the execution of such deeds, whichever is later.

Section 4. To the extent necessary or appropriate to enable him to perform or exercise the functions, duties, and responsibilities transferred to him by this order, the Administrator, and such officers or employees to whom he may delegate authority with respect to such functions, duties, and responsibilities, may perform or exercise any of the functions, duties, or responsibilities conferred upon the Commission by the Act, including, specifically, chapter 11 thereof. Any funds derived by the Commission from the disposal of property under the Act, including funds derived from the disposal of property under subsection 57a of the Act, shall be transferred to the Administrator, but shall otherwise remain subject to the provisions of section 117 and subsection 118c of the Act.

Section 5. The Commission and the Administrator shall keep each other currently advised as to action taken pursuant to the Act, shall consult with each other on all matters arising under the Act or this order which either agency deems to be of mutual concern, and may jointly agree upon such further measures, not inconsistent with the Act or this order, as will promote the expeditious and effective accomplishment of the policy and purposes of the Act.

Section 6. Executive Order No. 9816 of December 31, 1946, is hereby amended to the extent that it may be inconsistent with this order.

Section 7. Nothing in this order shall invalidate any action taken by the Commission prior to the effective date of this order, or impair or affect any outstanding obligations or contracts of the Commission, or impair any power or authority of the Commission with respect to functions not transferred by or pursuant to this order. No person affected by any action taken by either the Commission or the Administrator, or by any person acting under authority delegated to him consonant with law, shall be entitled to challenge the validity thereof or otherwise excuse his action or failure to act on the grounds that pursuant to the provisions of this order such action was within the jurisdiction of the Commission rather than the Administrator, or vice versa.

Section 8.[1] Nothing in this order shall be applicable to the community of Los Alamos, New Mexico.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
*February 14, 1956.*

[1] This section added by sec. 9 of Executive Order 11105, issued April 18, 1963, 28 Fed. Reg. 3909. See 15-1.4.

1. Disposal of AEC Properties

## 3. PRIORITIES REGULATION OF ATOMIC ENERGY COMMISSION, AS AMENDED

[21 Fed. Reg. 1005 and amended 21 Fed. Reg. 10267]

### PART 130—PRIORITIES REGULATION

Notice is hereby given that the Atomic Energy Commission has adopted the following rules: These rules shall become effective thirty days after publication in the FEDERAL REGISTER.

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AUTHORITY: §§ 130.1 to 130.70 issued under secs. 42, 111, 115, Pub. Law 221, 84th Cong.

GENERAL PROVISIONS

SEC. 130.1 PURPOSE. This part establishes, pursuant to the provisions of the act, particularly section 42 thereof, priority rights applicable to the sale of government-owned property offered for disposal at Oak Ridge, Tennessee, and Richland, Washington, pursuant to the provisions of Chapter 5 of the Atomic Energy Community Act of 1955.

SEC. 130.2 FINDINGS. (a) The Commission has determined that the priorities established in this part are reasonable and fair, will be uniform in each class or subclass of property, and will give such priority rights to occupants, project-connected persons, and incoming employees as are necessary or desirable and such priority rights to former occupants, former project-connected persons, or inhabitants as are fair and equitable. In establishing these priorities the Commission has given due consideration to the following factors:

(1) The retention and recruitment of personnel essential to the atomic energy program;

(2) The minimization of dislocations within the community;

(3) The expeditious accomplishment of the disposal program; and

(4) The desirability of encouraging private firms to locate or remain in the community.

SEC. 130.3 DEFINITIONS. As used in this part:

(a) "Act" means the Atomic Energy Community Act of 1955 (69 Stat. 471), including any amendments thereto.

(b) "Commission" means the Atomic Energy Commission or any authorized officer or employee thereof. For purposes of determining seniority under section 130.43, "Commission" shall include the Manhattan Engineer District, U. S. Army Corps of Engineers.

(c) "Community" means:

(1) With respect to property at Oak Ridge, that area at Oak Ridge, Tennessee, designated on a map on file at the principal office of the Commission, entitled "Minimum Geographic Area, Oak Ridge, Tennessee," bearing the legend "Boundary Line, Minimum Geographic Area, Oak Ridge, Tennessee," and marked "Approved, 21 April 1955, K. D. Nichols, General Manager"; or

(2) With respect to property at Richland, that area at Richland, Washington, designated on a map on file at the principal office of the Commission, entitled "Minimum Geographic Area, Richland, Washington," bearing the legend "Boundary Line, Minimum Geographic Area, Richland, Washington," and marked "Approved, 21 April 1955, K. D. Nichols, General Manager."

(d) "Property management contractor" means the contractor managing, on behalf of the Commission, the Commission-owned properties at the community. On November 1, 1955, the property management contractor at Oak Ridge was Management Services, Inc., and at Richland was General Electric Company.

(e) "Occupant" means a person who, on the date on which the property in question is first offered for sale, is entitled to residential occupancy of the government-owned house in question or of a family dwelling unit in such house, in accordance with a lease or license agreement with the Commission or its property management contractor, but shall not include a sublessee or assignee of such government-owned house.

(f) "Resident" means any person who, on the date on which the property in question is first offered for sale, is either:

(1) A person who is entitled under a lease or license with the Commission or its community management contractor to residential occupancy of government-owned accommodations at the community, or property designated for sale pursuant to Chapter 5, or

(2) A project-connected person who is entitled, in accordance with a lease or similar agreement, to residential occupancy of privately-owned rental housing in the community.

(g) "Member of his family" means any person having the following relationship to an occupant or a person granted a priority under § 130.21 (f) (1) or (2) (including those having the same relationship through marriage or legal adoption): Spouse, father, mother, grandfather, grandmother, brother, sister, son, daughter, uncle, aunt, nephew, niece, or first cousin.

(h) "Project area" means that area which on August 4, 1955, constituted the Federal area at Oak Ridge, Tennessee (in the case of property at Oak Ridge), or Richland, Washington (in the case of property at Richland).

(i) "Project-connected person" means any person who, on the date the property in question is first offered for sale, is regularly employed at the project area in one of the following capacities.

(1) An officer or employee of the Commission or any of its contractors or subcontractors, or of the United States or any agency thereof (including members of the Armed Forces), or of a State or political subdivision or agency thereof;

(2) An officer or employee employed at a school or hospital located in the project area;

(3) A person engaged in or employed in the project area by any professional, commercial, or industrial enterprise occupying premises located in the project area; or

(4) An officer or employee of any church or non-profit organization occupying premises located in the project area.

(j) "Senior occupant" means that one of the occupants of a family dwelling unit in the government-owned duplex house in question who has the longer continuous occupancy, computed as provided in section 130.45, in the duplex house.

(k) "Junior occupant" means that one of the occupants of a family dwelling unit in the government-owned duplex house in question who has the shorter continuous occupancy, computed as provided in section 130.45, in the duplex house.

(l) "Retired former resident" means any person, other than an occupant, resident or project-connected person, who

(1) Having been employed at the project area in one of the capacities set forth in the definition of project-connected person, retired, at any time prior to the date the property in question is first offered for sale, from such employment in accordance with the retirement plan established by his employer; and

(2) At the time of such retirement was either (i) entitled, in accordance with a lease or license agreement with the Commission or its community management contractor, to residential occupancy of government-owned accommodations at the community, or property designated for sale pursuant to Chapter 5, or (ii) entitled, in accordance with a lease or similar agreement, to residential occupancy of privately owned rental housing of the community.

(m) "Inhabitant" means a person who owned real property in the project area at Oak Ridge on October 6, 1942, or in the project area at Richland on December 31, 1942.

(n) "Person" means any individual, corporation, partnership, firm, or association.

(o) "Sales agency" means the agency of the Federal Government which is responsible for disposal of property offered pursuant to Chapter 5 of the act.

(p) "Successful claimant" means the person whom the Commission has initially determined to be entitled to purchase a particular piece of property through the exercise of a priority right.

(q) "Contract to purchase" means an agreement (which can be made only by a priority purchaser) to purchase a single-family or duplex house under the terms of which the purchaser agrees to:

(1) Conclude the purchase within three years after the date of the agreement, and

(2) Make regular periodic payments (during the three-year period) on account of principle, interest, and for municipal services.

SEC. 130.4 COMPUTATION OF TIME. Except as otherwise provided in section 130.44, in computing any period of time prescribed or allowed by this part, the day of the act, event or default after which the designated period of time begins to run is not to be included. The last day of any period prescribed or allowed by the part is to be included, unless it is a Saturday, Sunday or a legal holiday, in which event the period will be extended until the end of the next day which is neither a Saturday, Sunday or a legal holiday.

SEC. 130.5 METHOD OF SERVICE. All documents or information required to be furnished by priority holders must be postmarked or actually received by the appropriate agency prior to the expiration of the period of time prescribed or allowed by this part.

PRIORITIES

SEC. 130.21 RESIDENTIAL PRIORITIES. The following rights of priority shall be applicable in the sale of property for private residential use:

(a) For government-owned single family houses:

(1) First priority; the occupant.

(2) Second priority; any resident.

(3) Third priority; any project-connected person.

(4) Fourth priority; any retired former resident.

(5) Fifth priority; any inhabitant.

(b) For government-owned duplex houses:

(1) First priority; the senior occupant.

(2) Second priority; the junior occupant.

(3) Third priority; a junior occupant of any duplex house who has been prevented from exercising his second priority by reason of the exercise of the first priority by the senior occupant.

(4) Fourth priority; any resident.

(5) Fifth priority; any project-connected person.

(6) Sixth priority; any retired former resident.

(7) Seventh priority; any inhabitant.

(c) For vacant lots classified for residential use, not under lease or license agreement (except lots covered by priorities granted by paragraphs (e) and (f) of this section:

(1) First priority; any resident.

(2) Second priority; any project-connected person.

(3) Third priority; any retired former resident.

(4) Fourth priority; any inhabitant.

(d) For lots and acreage classified for residential use under lease or license agreement on which there is no government-owned building.

(1) First priority; any person who on the date the property in question is first offered for sale is entitled to occupancy of the premises offered for sale in accordance with a lease or license agreement with the Commission or its property management contractor authorizing the use of the premises for residential purposes.

(e) For each lot classified for residential use, located within the minimum geographic area referred to in § 130.3 (c) (1) on which, on August 1, 1956, there was wholly or partially located only one single-family housing unit, and such unit was subsequently removed from such lot pursuant to section 52 (a) (1) of the act:

(1) *First priority.* The person who on August 1, 1956 was entitled to occupancy of the single-family housing unit in accordance with a lease or license agreement with the Commission or its property management contractor.

(2) *Second priority.* Any person who having a priority under paragraph (f) (2) of this section is prevented from exercising such priority by reason of the exercise of a higher priority granted by paragraph (f) of this section by another person.

(3) *Third priority.* Any resident.

(4) *Fourth priority.* Any project-connected person.

(5) *Fifth priority.* Any retired former resident.

(6) *Sixth priority.* Any inhabitant.

(f) For each lot classified for residential use located within the minimum geographic area referred to in § 130.3 (c) (1) on which, on August 1, 1956, there were wholly or partially located more than one single-family housing unit, all of which were subsequently removed from such lot pursuant to section 52 (a) (1) of the act:

(1) *First priority.* The person who on August 1, 1956, was entitled to occupancy of one of such single-family housing units in accordance with a lease or license agreement with the Commisison or its property management contractor and who had a longer period of continuous occupancy than the person granted a priority under subparagraph (2) of this paragraph.

(2) *Second priority.* The person or persons who on August 1, 1956, were entitled to occupancy of one of such single-family housing units in accordance with a lease or license agreement with the Commission or its property management contractor, and who had a shorter period of continuous occupancy than the person granted a priority under subparagraph (1) of this paragraph.

(3) *Third priority.* Any person who having a priority under subparagraph (2) of this paragraph is prevented from exercising such priority by reason of the exercise of a higher priority granted by this paragraph by another person.

(4) *Fourth priority.* Any resident.

(5) *Fifth priority.* Any project-connected person.

(6) *Sixth priority.* Any retired former resident.

(7) *Seventh priority.* Any inhabitant.

SEC. 130.22 COMMERCIAL, INDUSTRIAL AND NONPROFIT PRIORITIES. In the sale of property classified for commercial or industrial use, or for use of nonprofit organizations (other than churches), any person who, on the date such property is first offered for sale, is entitled to occupancy of the property offered for sale or a part thereof in accordance with a lease or license agreement with the Commission or its property management contractor, authorizing the use of the property for commercial, industrial or nonprofit use, shall have a priority to purchase the property offered for sale.

SEC. 130.23 CHURCH PRIORITIES. In the case of property classified for use of churches, any person who, on the date such property is offered for sale, is entitled to occupancy thereof in accordance with a lease or license agreement with the Commission or its property management contractor, authorizing the use of the premises for church use, shall have a priority to purchase the property offered for sale.

SEC. 130.24 OTHER PROPERTIES. In the case of any property not covered by the foregoing sections 130.21 to 130.23, inclusive, no priority rights are conferred under this part.

### APPLICATION FOR AND EXERCISE OF PRIORITY RIGHTS

SEC. 130.31 APPLICATIONS FOR PRIORITY. (a) All priority rights within each priority class, other than rights under section 130.21 (a) (1), shall be invalid unless an application for the determination thereof, in

the form prescribed by the Commission, is filed with the Commission within 30 days after the date on which the property in question is offered for sale to such priority class.

(b) No application need be filed for priority rights under section 130.21 (a) (1).

(c) Notice of the offering for sale will be given by the sales agency. Such notice will:

(1) Be in such manner as the sales agency shall prescribe;

(2) Identify the property to be sold;

(3) State the terms and conditions of sale and the date of the offer; and

(4) State which rights of priority must be exercised.

SEC. 130.32 EXERCISE OF PRIORITY. The sales agency shall prescribe the manner and time within which a priority right that has been determined by the Commission shall be exercised: *Provided, however,* That the time for exercise of priority rights of occupants of single family houses and senior occupants of duplex houses shall be not less than 90 days after the date the property in question is first offered for sale to such persons.

SEC. 130.33 ABANDONMENT OF PRIORITY. (a) Any priority right other than a priority for church property which has been exercised as prescribed by the sales agency shall, as to such priority, be deemed abandoned unless the priority purchaser concludes the sale or executes the contract to purchase:

(1) Within 60 days after tender by the sales agency of a deed or contract to purchase, or

(2) Prior to expiration of the period prescribed for exercise of such priority, whichever is later.

(b) Any right of priority to purchase church property, shall be deemed abandoned unless within six months after a tender by the sales agency of a deed the priority purchaser concludes the sale.

(c) In all cases covered by this section, such time may for good cause be extended by the sales agency.

[1](d) Any property on which a priority has been abandoned shall be offered by the sales agency to the priority classes, if any, to which property of the same type will, subsequent to such abandonment, be offered; provided that when a senior occupant of a government-owned duplex house abandons his senior occupant's priority, the property in question shall be first offered to the junior occupant of such house if he has not exercised a priority to purchase another house hereunder. If all such priority rights have expired or lapsed, such property shall be disposed of as provided in section 53 (b), (c) and (d) of the act.

SEC. 130.34 TRANSFER OF PRIORITY. (a) No priority established hereunder shall be transferable except:

(1) A husband and wife may exercise a priority in their joint names.

(2) A religious organization may exercise the occupant's priority which would otherwise belong to its priest, minister or rabbi, regardless

[1] Paragraph (d) added effective 30 days after the date of publication, May 1, 1956 (21 Fed. Reg. 2811).

of whether that position happens to be filled at the time of the exercise of the priority.

(3) Two or more holders of priorities, granted pursuant to section 130.21 (b) (1) and (2), or section 130.22, having a common interest in the same building or location, may assign to a single assignee (who may be a priority holder) their rights of priority to purchase such building or location.

SEC. 130.35 NONIMPAIRMENT OF RIGHTS. No priorities determined or exercised hereunder shall impair any rights, including purchase rights, conferred by existing leases and covenants. In the event the Commission finds that such rights would be impaired, it may, notwithstanding any other provisions of this part, cancel the priority or priorities or take such other action as it deems appropriate.

SEC. 130.36 LIMITATION. (a) No person or married couple shall be entitled to purchase more than one parcel of residential property through the exercise of a priority. For purposes of this section, any purchase by a husband or wife shall be deemed a purchase by the married couple, and a purchase by a transferee shall be deemed a purchase by the transferor as well.

(b) Notwithstanding any other provision of this part, lessees of residential property comprehended by section 57 (a) of the act purchasing such property pursuant to an offering thereof by the Commission or the sales agency under authority of section 57a of the act, shall have no residential priority under this part.

SEC. 130.37 PERSONS APPLYING FOR DETERMINATIONS OR EXERCISING PRIORITY. Application for the determination of a priority or the exercise thereof may be executed and filed by the priority holder or, on his behalf, by his duly authorized agent, executor, trustee, administrator, or guardian.

### DETERMINATIONS OF PRIORITY RIGHTS

SEC. 130.41 DETERMINATION OF PRIORITIES. All priority rights shall be determined by the Commission and certified by it to the sales agency.

SEC. 130.42 DETERMINATION OF CONFLICTING CLAIMS FOR PRIORITY. (a) Conflicting claims between persons within the same priority class for priority to purchase a particular piece of property shall be determined in accordance with this section and sections 130.43 through 130.47, as follows:

(1) Conflicting claims for priority to purchase residential property within the same priority group as a junior occupant, resident, or project-connected person, shall be resolved on the basis of seniority of employment in accordance with sections 130.43 and 130.44.

(2) Conflicting claims for priority to purchase a duplex house by a senior occupant shall be resolved on the basis of seniority of occupancy in accordance with section 130.45(a).

(3) Conflicting claims for priority to purchase residential property as a retired former resident or inhabitant shall be resolved by the Commission by lot.

(4) Conflicting claims for priority to purchase property classified

for commercial, industrial or nonprofit use shall be resolved as follows: From among the conflicting priority holders the Commission shall draw lots until all such priority holders have been ranked. The first name chosen shall have the first opportunity to exercise the priority with regard to the property in question. In the event the person first chosen fails to exercise the priority within the time established by the sales agency or abandons the priority as provided in section 130.33, each succeeding priority holder in accordance with his ranking as determined by the drawing shall, subject to the same conditions, have the priority to purchase the property in question.

(5) Conflicting claims for priority to purchase lots under § 130.21 (e) (2) and (f) (3) shall be resolved on the basis of seniority of employment, in accordance with §§ 130.43 and 130.44.

(6) Conflicting claims for priority to purchase lots under § 130.21 (f) (1) or (2) shall be resolved on the basis of the longer period of continuous occupancy in accordance with § 130.45 (b).

(b) Except as provided in subparagraph (4) of paragraph (a) of this section and in sections 130.51 to 130.60, all priority rights of unsuccessful claimants to purchase the particular piece of property which is the subject of conflicting claims shall lapse upon the determination by the Commission of the successful claimant.

SEC. 130.43 DETERMINATION OF SENIORITY OF EMPLOYMENT OR SERVICE. Seniority of employment or service shall be determined as of the date any residential property was first offered for sale by adding the periods of employment or service of the claimant, whether or not consecutive, within the following categories:

(a) Employment or service periods of not less than four consecutive weeks at not less than 20 hours per week at the project area at Oak Ridge (in the case of a claim for priority at Oak Ridge) or Richland (in the case of a claim for priority at Richland) of a claimant by or for:

(1) A contractor or lower tier contractor of the Commission;

(2) The Commission, the United States or any agency thereof (including the Armed Forces) or the State or any political subdivision or agency thereof;

(3) A school or hospital;

(4) Any professional, commercial, or industrial enterprise;

(5) A church or nonprofit organization.

(b) Self-employment periods of a claimant for a minimum of four consecutive weeks at not less than 20 hours per week at the project area at Oak Ridge (in the case of a claim for priority at Oak Ridge), or Hanford (in the case of a claim for priority at Hanford), in one of the capacities listed in subparagraphs (1) and (4) of paragraph (a) of this section.

(c) Service in the Armed Services of the United States when claimant entered the Armed Services within 30 days after leaving any employment set forth in the definition of project-connected person.

SEC. 130.44 EVALUATION OF CONFLICTING CLAIMS. In determining seniority of employment or service, the Commission shall apply the following rules:

(a) The first and last date of each period of employment or service shall be included.

(b) As between claimants employed or discharged at different times during the same day, no seniority of employment or service shall be granted to a claimant by virtue of being first employed or last discharged on such day.

(c) No deduction from periods of employment or service computed in accordance with section 130.48 shall be made for periods of employment or service off the project area when the claimant was or is maintained on and paid from a payroll of an employer located at the project area and such claimant was or is compensated for such period as an employee in travel status in accordance with the recognized practice of such employer.

(d) If a husband and wife exercise a priority in their joint names as provided in section 130.34, only the seniority of the husband or wife, whichever is greater, shall be counted.

(e) In the case of identical claims of seniority of employment or service, the successful claimant shall be determined by lot.

SEC. 130.45 DETERMINATION OF OCCUPANCY. (a) In determining which of the occupants of a duplex house is the senior occupant,

(1) Occupancy of either dwelling unit in the house shall be counted in determining the period of continuous occupancy;

(2) The period of continuous occupancy shall be that period during which the occupant or a person who then was a member of his family continued without interruption to be entitled to such residential occupancy in accordance with a lease or license agreement with the Commission or its community management contractor. Such period shall begin with the effective date of the initial lease or license agreement and end with the date on which the property is first offered for sale; and

(3) In the case of claimants whose initial lease or license bears the same effective date, determination shall be made by lot.

(b) In determining which person has the longer period of continuous occupancy with regard to houses located on lots covered by the priority granted by § 130.21 (f) (1) or (2):

(1) Only occupancy prior to August 1, 1956, shall be considered;

(2) Occupancy shall be determined by the effective date on which the person claiming a priority under § 130.21 (f) (1) or (2), or a member of his family, executed the initial lease or license agreement with the Commission or its property management contractor;

(3) Cases involving claimants whom the Commission finds have the same period of continuous occupancy, shall be determined by lot, in which event the successful claimant shall be considered as having the longer period of continuous occupancy.

SEC. 130.46 EVIDENCE. (a) Claimants shall support their claims to seniority by listing in the space and manner provided on the application prescribed by the Commission, all claimed periods of employment or service coming within section 130.43. The Commission, in determining seniority of a claimant, need not consider any employment or service unless the same is so listed.

(b) At the request of the Commission, any claimant shall furnish such evidence in support of his claim to priority or seniority, at such times and in such form, as the Commission shall specify. In the event of failure to furnish the specified evidence, at the time and in the form requested, the Commission may take such action as it deems appropriate, including the disallowance of the claim or part thereof to which such evidence relates.

SEC. 130.47 COMMISSION EXAMINATION. The Commission may make such independent examination of the submitted claims to priority or seniority as it deems appropriate.

APPEAL PROCEDURE

SEC. 130.51 ESTABLISHMENT OF APPEAL BOARDS. The Commission's Manager of Operations at each community shall establish an advisory board to consider appeals relating to priorities at the community. The board may adopt such procedures, consistent with this part, as it deems appropriate to carry out its functions.

SEC. 130.52 NOTICE. (a) With respect to each offering of property to persons in a priority class, other than persons in the priority class granted by section 130.21 (a) (1), the Commission shall post, at one or more places in the community, a notice stating the person whom the Commission has initially determined to be the successful claimant with regard to property offered for disposal.

(b) In all cases in which claims to seniority have been filed pursuant to section 130.42, the notice shall include the total period of seniority allowed by the Commission in making its initial determination.

(c) Upon request by any person whose claim to a priority or to seniority has been disallowed, in whole or in part, the Commission shall advise such person of the reasons for such disallowance.

SEC. 130.53 APPEAL. (a) Appeals from the initial determinations of the Commission in cases coming within section 130.52 must be filed in writing with the Commission's Manager of Operations at the community not later than ten days after the posting of the notice referred to in section 130.51.

(b) Any person who had attempted to exercise a right of priority under section 130.21 (a) (1) within the time prescribed by the sales agency, and has been notified by the sales agency that his rights had not been certified by the Commission pursuant to section 130.41, may within ten days after the receipt of such notice, file an appeal in the manner prescribed in paragraph (a) of this section.

(c) Appeals shall specify the bases for the appeal and the nature of the evidence to be produced.

SEC. 130.54 CLASSES OF APPEALS. (a) Appeals with respect to all priorities except those established for retired former residents and inhabitants and those established under section 130.22 shall be governed by sections 130.55 to 130.58.

(b) Appeals with respect to priorities established under section 130.21 for retired former residents and inhabitants and to priorities established under section 130.22 shall be governed by section 130.59.

SEC. 130.55 PARTIES TO APPEAL. Appeals in cases coming within section 130.54 (a) may be filed by any person if:

(a) Assuming the appellant were to prevail as to the matters stated in his appeal, he would have a superior claim to that of the successful claimant to the property in respect of which the appeal is filed; and

(b) The appellant is not the successful claimant to another property offered to the priority class in question.

SEC. 130.56 GROUNDS OF APPEAL. A person eligible to file an appeal under section 130.55 may appeal as to one or more of the following issues:

(a) His right or the right of the successful claimant to a priority of the class to which the property has been offered;

(b) His period of occupancy or the period of occupancy of the successful claimant in the case of occupants of duplex houses or priorities granted by § 130.21 (f) (1) or (2); and

(c) His periods of seniority of employment or service or the periods of seniority of employment or service of the successful claimant.

SEC. 130.57 RECOMMENDED DETERMINATION. In the case of appeals coming within section 130.54 (a) the Board may recommend:

(a) Dismissal of any appeal which is not in accordance with the provisions of this part or which is not supported by sufficient evidence;

(b) Affirmance of the initial determination; or

(c) Determination in favor of that one of the conflicting claimants to the property in question, whether or not such claimant has filed an appeal, whom it finds to be entitled to a priority to purchase the property in question: *Provided, however,* That the Board shall disregard all claims of persons who are the successful claimants to any other property offered to the priority class in question, and may disregard the claims of any person who fails to file within the time prescribed by the Board any appearance or evidence requested by the Board.

SEC. 130.58 DECISION BY MANAGER OF OPERATIONS OR HIS DESIGNEE. The recommendation of the Board will be submitted to the Manager of Operations or his designee, and such Manager or designee shall determine the claimant entitled to exercise a priority with regard to the property in question. The Manager or his designee may remand any matter to the Board for further consideration and recommendation prior to final determination.

SEC. 130.59 APPEALS IN CASES DETERMINED BY LOT. (a) In cases coming within section 130.54b any person may appeal if:

(1) Assuming the appellant were to prevail as to the matters stated in his appeal, he would establish that the successful claimant is not entitled to a priority of the class to which the property had been offered or that the appellant was improperly denied such a priority; and

(2) In cases of priorities for former retired residents or inhabitants, the appellant is not the successful claimant to another property offered to the priority class in question.

(b) If the Board determines that the person initially determined to be the successful claimant is not entitled to a priority of the class in

question, it shall recommend that the initial determination be set aside.

(c) If the Manager or his designee determines that the initial determination shall be set aside, the commission shall:

(1) In the case of claims of retired former residents or inhabitants, resolve the remaining conflicting claims by lot, provided that the claims of persons who are the successful claimants as to any other property offered to the priority class in question shall be disregarded;

(2) In the case of claims under section 130.22, award the property to the next succeeding priority holder, according to his ranking.

(d) No appeal shall lie from a redetermination made pursuant to paragraph (c) of this section.

(e) If the Board determines that the appellant was improperly denied a priority of the class to which the property in question was offered, the Board shall so report to the Manager or his designee, who shall take such action as may appear equitable.

SEC. 130.60 FINALITY. An initial determination which is not appealed in accordance with this part and a determination or decision by the Manager of Operations or his designee shall be final.

SEC. 130.70 AMENDMENT. The Commission may amend the provisions of this part.

Dated at Washington, D. C., this 31st day of January 1956.

K. E. FIELDS,
*General Manager.*

## 3. EXECUTIVE ORDER 11105

[28 Fed. Reg. 3909]

### TRANSFERRING TO THE HOUSING AND HOME FINANCE ADMINISTRATOR CERTAIN FUNCTIONS OF THE ATOMIC ENERGY COMMISSION UNDER THE ATOMIC ENERGY COMMUNITY ACT OF 1955 [1]

By virtue of the authority vested in me by the Atomic Energy Community Act of 1955 (69 Stat. 471), as amended, (hereinafter called the Act) and particularly by Section 101 thereof, and as President of the United States, it is ordered as follows:

SECTION 1. The provisions of Sections 2 to 8, inclusive, of this order shall be applicable to the community of Los Alamos, New Mexico, but shall not be applicable to the community of Oak Ridge, Tennessee, or to the community of Richland, Washington.

SEC. 2. There are hereby transferred to the Housing and Home Finance Administrator (hereinafter called the Administrator) all of the functions, duties, and responsibilities of the Atomic Energy Commission (hereinafter called the Commission) (i) under Sections 34 to 36, inclusive, Sections 51 to 55, inclusive, Section 57, Sections 61 to 66, inclusive, and Section 116 of the Act, (ii) under the last sentence of Section 56 of the Act, and (iii) with respect to sales of apartment buildings to cooperatives under Section 58 of the Act, with the following exceptions and qualifications:

(a) The Commission shall retain the power and duty of, and the responsibility for, (i) determining the property to be offered for disposal pursuant to Section 52 of the Act, including the timing thereof, the improvements to be designated as eligible for a credit under subsections 36a and 36b, the extent to which a lessee has been previously compensated for improvements under subsection 36a, and the provisions and procedures to be adopted pursuant to subsections 55b to 55e, inclusive, and (ii) removing, transferring or designating property pursuant to subsections 52a(1), 52a(2), and 52a(3).

(b) The Commission shall retain all duties, functions and responsibilities under subsection 57b of the Act, both as to existing lots and lots developed or to be developed under the Act or any other Act, except as the Commission and the Administrator may mutually agree should be transferred to the Administrator.

SEC. 3. There shall be transferred to the Administrator, who shall thereafter exercise full jurisdiction in connection therewith, all interests, rights, powers, duties, and responsibilities of the United States, including any interests, rights, powers, duties, and responsibilities of the Commisson under the Act or any act (except such interests;

[1] See 15-1.1.

rights, powers, duties, and responsibilities as the Commission and the Administrator may mutually agree shall be retained by the Commission), with respect to the property designated by the Commission for disposal by the Administrator, pursuant to Section 52 of the Act.

SEC. 4. The transfers specified in Section 3 hereof shall be effective as to each parcel of property offered for disposal pursuant to Section 52 of the Act on the date the Administrator executes a deed as provided in Section 55, or a contract to purchase as provided in Section 61, with respect to each such parcel of property.

SEC. 5. To the extent necessary or appropriate to enable him to perform or exercise the functions, duties, and responsibilities transferred to him by this order, the Administrator, and such officers or employees to whom he may delegate authority with respect to such functions, duties, and responsibilities, may perform or exercise any of the functions, duties, or responsibilities conferred upon the Commission by the Act, including, specifically, Chapter 11 thereof. Any funds derived by the Commission from the disposal of property under the Act, including funds derived from the disposal of property under subsection 57b of the Act, shall be transferred to the Administrator, but shall otherwise remain subject to the provisions of Section 117 of the Act.

SEC. 6. The Commission and the Administrator shall keep each other currently advised as to action taken pursuant to the Act, shall consult with each other on all matters arising under the Act or this order which either agency deems to be of mutual concern, and may jointly agree upon such further measures, not inconsistent with the Act or this order, as will promote the expeditious and effective accomplishment of the policy and purposes of the Act.

SEC. 7. Executive Order No. 9816 of December 31, 1946, is hereby amended to the extent that it may be inconsistent with this order.

SEC. 8. Nothing in this order shall invalidate any action taken by the Commission prior to the effective date of this order, or impair or affect any outstanding obligations or contracts of the Commission, or impair any power or authority of the Commission with respect to functions not transferred by or pursuant to this order. No person affected by any action taken by either the Commission or the Administrator, or by any person acting under authority delegated to him consonant with law, shall be entitled to challenge the validity thereof or otherwise excuse his action or failure to act on the grounds that pursuant to the provisions of this order such action was within the jurisdiction of the Commission rather than the Administrator, or vice versa.

SEC. 9. Executive Order No. 10657 of February 14, 1956, as amended, is hereby further amended by adding at the end thereof a new Section 8, reading as follows:

"SEC. 8. Nothing in this order shall be applicable to the community of Los Alamos, New Mexico."

JOHN F. KENNEDY

THE WHITE HOUSE,
*April 18, 1963.*

15. Disposal of AEC, Coulee Dam and Boulder City Properties
2. Disposal of Coulee Dam Properties

# 1. EXCERPTS FROM COULEE DAM COMMUNITY ACT OF 1957

[Public Law 85-240, 85th Congress, 71 Stat. 524]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That it is the purpose of this Act, in connection with the Columbia Basin project, to authorize the disposal of certain Federal property in the unincorporated area in the State of Washington commonly known as the town of Coulee Dam in order that the United States may withdraw from the ownership and operation of the town and that the people of that area may enjoy self-government, to facilitate the establishment by them of a municipal corporation under the laws of the State of Washington, and to authorize the disposal of certain Federal property in and in the immediate vicinity of the city of Grand Coulee, Washington, in order to reduce restrictions on the growth thereof. The area herein referred to as the town area is situated in Douglas, Grant, and Okanogan counties and comprises the following lands:

Douglas County: Township 29 north, range 30 east, Willamette meridian, section 36, lots 2, 3, 4, east half southwest quarter and southwest quarter southwest quarter.

Grant County: Township 28 north, range 30 east, Willamette meridian, section 1, lots 1 and 2.

Okanogan County: Township 28 north, range 31 east, Willamette meridian, section 6, lot 3.

Township 29 north, range 30 east, Willamette meridian, section 36, lots 5, 6, and 7.

Township 29 north, range 31 east, Willamette meridian, section 30, all those portions of the south 300 feet of lot 4 included within the area conveyed to the United States of America by warranty deed executed by Charles E. Hopkins, and others on September 11, 1946, and recorded in book 107 of deeds at pages 175 and 176 under Okanogan County auditor's file numbered 346972 and by warranty deed executed by Charles E. Hopkins, and others on November 7, 1945, recorded in book 102 of deeds at pages 441 and 442 under Okanogan County auditor's file numbered 339487.

Section 31, west half northeast quarter, southeast quarter northwest quarter, east half southwest quarter, northwest quarter northwest quarter southeast quarter, and lots 1, 2, 3, and 4.

The area herein referred to as the Grand Coulee area is situated in Grant County and comprises the following lands:

Township 28 north, range 30 east, Willamette meridian, section 11, south one-half north one-half, north one-half southwest one-quarter, northeast one-quarter southeast one-quarter.

The term "the municipality", as used in this Act, refers to any municipal corporation organized hereafter embracing any part of the town area described.

SEC. 2. Except for property, disposal of which is authorized under section 6 of this Act, the Secretary of the Interior, hereinafter referred to as the Secretary, is authorized to sell all lands and improvements situated in the town and Grand Coulee areas which was acquired or built by the United States for the construction, operation, and maintenance of Grand Coulee Dam and its appurtenant works and which is not needed for Federal purposes. Such disposals shall be made in accordance with the terms and conditions set forth in section 3 of this Act, but lands to be sold in the Grand Coulee area shall be sold at public sale to the highest responsible bidder.

SEC. 3. (a) All land authorized to be sold under section 2 of this Act which, when offered for sale, is occupied by improvements owned by the United States shall be sold with the improvements in place.

(b) Of the property authorized to be sold under section 2 of this Act, lands in the town area occupied by dwelling units shall be sold in accordance with the following terms and conditions:

(1) First priority to purchase shall be given to the tenant of the United States in the town area who occupies the land and dwelling unit to be sold. The land and dwelling unit shall be offered at the appraised value as established under section 5 less any applicable discounts under this Act. This right of priority shall expire unless a deposit of earnest money in an amount to be fixed by the Secretary is received by him before the expiration of sixty days after the date on which the property has been offered for sale, and the right of priority shall be deemed abandoned unless within an additional one hundred and eighty days the prospective purchaser shall have signed a contract to purchase the property.

Any tenant having a priority under (1) who desires to continue to rent the property occupied by him rather than to purchase it may assign his priority to a person who has entered into a valid contract to lease the property back to him. The Secretary may permit such other assignments of priorities under (1) as he finds to be fair and equitable. Assignments under this paragraph shall be subject to such general rules and regulations as the Secretary may prescribe, including denial, in any instance where the Secretary in his judgment finds it proper, to the assignee concerned, or his successors, assigns, or legal representatives, of any discount in or rebate of the purchase price to which such person or persons would otherwise be entitled under this Act.

(2) Second priority to purchase shall apply to property in the town area not purchased under (1) and shall be given to persons who are tenants of the United States in Federal housing in the town area or who would meet the requirements for eligibility to become such tenants under the most recent regulations of the Bureau of Reclamation for the assignment of persons to Federal housing in the town area. Applicants to purchase shall be placed in order of opportunity to choose pursuant to a public drawing, but spouses of such applicants shall not be entitled to apply. Sales shall be at the appraised value as established under section 5, less applicable discounts under this

Act. Selection of dwelling units by successful applicants, to be accompanied by a deposit of earnest money fixed as under (1), shall be concluded within limits of time established by the Secretary, and thereafter the purchase shall be concluded in the same manner as provided under (1). A purchase under (1) or (2) shall render the purchaser and any spouse of such purchaser ineligible thereafter to purchase under either (1) or (2).

(3) Property not sold under (1) or (2) shall be opened to bids from the general public and shall be sold to the highest responsible bidder.

(c) (1) Of the property authorized to be sold under section 2 of this Act, land in the town area occupied by privately owned improvements shall be offered for sale to the owner of such improvements at the appraised value as established under section 5 less applicable discounts under this Act. This preference right shall expire unless a deposit of earnest money in an amount to be fixed by the Secretary is received by the Secretary before the expiration of sixty days after the date on which the property has been offered for sale, and thereafter the purchase shall be concluded in the same manner as provided under subsection (b) (1) of this section.

(2) Land not purchased by the owner of the improvements (except church or hospital improvements) thereon under (1) shall be made available for sale for a period of thirty days to those eligible for purchase under subsection (f) of this section, and thereafter shall be opened to bids from the general public and sold to the highest responsible bidder.

(3) Land with church or hospital improvements thereon which has not been purchased by the owners of the improvements under (1) may be disposed of by advertising and competitive bids, or by negotiated sale or other transfer at such prices and on such other terms and conditions as the Secretary shall determine to be fair and equitable.

(d) (1) Of the property authorized to be sold under section 2 of this Act, land in the town area occupied by improvements owned by the United States other than dwelling units shall be offered to the lessee of the United States in such improvements at the appraised value as established under section 5 less applicable discounts under this Act: *Provided,* That where there is more than one lessee in a given improvement and the Secretary finds it impractical to offer each lessee an interest in the property, the Secretary, pursuant to such standards as he deems appropriate, shall designate an order of priority among such lessees for acceptance of the offer of sale of such property, which shall be sold at the appraised value as established under section 5 less applicable discounts under this Act and pursuant to such other terms and conditions as the Secretary deems proper. Any preference or priority right under this paragraph shall expire unless a deposit of earnest money in an amount to be fixed by the Secretary is received by the Secretary before the expiration of sixty days after the date on which the property has been offered for sale, and thereafter the purchase shall be concluded in the same manner as provided under subsection (b) (1) of this section.

(2) Property referred to in (1) which is not under lease granted by the United States or which has not been purchased under (1) shall be made available for sale for a period of thirty days to those eligible for purchase under subsection (f) of this section and thereafter may be opened to bids from the general public and sold to the highest responsible bidder.

(e) Of the property authorized to be sold under section 2 of this Act, land in the town area which has not been improved or land from which the improvements have been removed shall be sold in accordance with the following terms and conditions.

(1) Residential property in the town area shall be offered for sale to persons who are tenants of the United States in Federal housing in the town area or who would meet the requirements for eligibility to become such tenants under the most recent regulations of the Bureau of Reclamation for the assignment of persons to Federal housing in the town area. Applicants to purchase shall be placed in order of opportunity to choose pursuant to a public drawing. No application shall be accepted from the spouse of any applicant or from a person, or the spouse of such person, who owns, has owned, or has contracted to buy other residential property in the town area. Sales shall be at the appraised value as established under section 5 less applicable discounts under this Act, and selection and purchase under this priority by successful applicants shall be concluded within limits of time to be established by the Secretary. Residential property which is not sold under the preceding provisions of this subsection shall be open to bids from the general public and shall be sold to the highest responsible bidder.

(2) Property which at the time of sale is zoned for other than residential use, except such as is disposed of under subsection (f) of this section and land with church or hospital improvements thereon, shall be open to bids from the general public and shall be sold to the highest responsible bidder.

(f) Of the property in the town area authorized to be sold under section 2 of this Act, except that which is covered by subsections (b), (c) (3), and (e) (1) of this section, land not purchased by the holders of a priority or preference under this section shall, for thirty days following the period during which holders of a priority or preference could purchase the same, be offered for sale at the appraised value as established under section 5 less applicable discounts under this Act to persons leasing property in the town area from the United States for business or commercial uses. The Secretary may, in his discretion, permit more than one lot to be included in a single purchase, but only if the property to be purchased is compact and contiguous. If two or more applicants to purchase under this subsection desire the same property, their order of opportunity to purchase shall be determined pursuant to a public drawing. A purchase under this subsection shall render the purchaser and any spouse of such purchaser ineligible either to make an additional purchase under this subsection or to purchase the business or commercial property he is renting from the United States.

(g) Any improvement owned by the United States located on lands in the town area subject to being purchased by the holder of a priority or preference right hereunder and not purchased, after being offered for sale, within one year following the expiration of the period within which the priority or preference right can be exercised, may be opened to bids from the general public and may be sold to the highest responsible bidder.

(h) In all public sales of property under this Act to the highest responsible bidder, which shall include all sales of property to be sold in the Grand Coulee area, the Secretary shall reserve the right to reject all bids; and, in the event all bids are less than the appraised value of the property as established under section 5 or in the event no bids are received, the property shall be available for sale to the first taker from the general public at not less than aforesaid appraised value until all such property has been sold.

(i) (1) Whenever the Secretary, on presentation of adequate evidence by a prospective purchaser or purchasers under subsections (b) (1) or (b) (2) of this section, shall determine that financing of purchases on reasonable terms cannot be arranged from other sources, he is authorized to enter into contracts with such purchasers under which the purchaser would not be required to make a downpayment of more than 10 per centum of the appraised value of the property as established under section 5 less applicable discounts under this Act and the remainder of the repayment obligation shall be paid on terms as to amount, repayment period, installments, and interest rate not more favorable to the purchasers than those which would be available were the purchases to be financed under mortgages eligible for insurance under subsection 223 (a) of the National Housing Act, as herein amended: *Provided,* That the Secretary may increase the interest rate by additional components equal to the premium being charged (and any periodic service charge being authorized by the Federal Housing Commissioner for property of a similar character) under subsection 223 (a) of the National Housing Act, as herein amended, at the effective date of the aforesaid contracts.

(2) Whenever the Secretary, on presentation of adequate evidence by a prospective purchaser or purchasers under subsections (c) (1), (d) (1), or (f) of this section, shall determine that financing of purchases on reasonable terms cannot be arranged from other sources, he is authorized to enter into contracts with such purchasers under which the purchaser would not be required to make a down payment of more than 10 per centum of the appraised value of the property as established under section 5, less applicable discounts under this Act. The remainder of the repayment obligation shall be paid with such terms as to amount, repayment period, installments, and interest rate as the Secretary shall determine to be fair and equitable.

(3) The Secretary may assign any installment contract under this section at such times and on such terms and conditions as he deems appropriate. Any such assignment made at a discount shall be defeasible if within sixty days after receipt of notification of such assignment the original obligor of the assigned contract, or his suc-

cessors, assigns, or legal representative, shall cause to be received by the Secretary a tender of the amount for which such assignment was made, in which event such tender shall be accepted as full payment of the contract.

(j) Except in the case of property sold to the highest responsible bidder under this section or property sold to the first taker from the general public under subsection (h) of this section or by negotiated sale under subsection (c) (3) of this section, persons purchasing property under this section or their successors, assigns, or legal representatives, shall be entitled to a discount in the purchase price at the time they enter into a purchase contract equal to 5 per centum of its appraised value as established under section 5 and, in the event of incorporation of the municipality within four years from the date of this Act, they shall be entitled to an additional discount in the purchase price (or rebate as appropriate) equal to 10 per centum of the aforesaid appraised value.

(k) In establishing rules and regulations governing sales of property in the town area under this section, and in determining the terms and conditions of such sales other than those prescribed in this Act, the Secretary shall consult with the representatives of the Coulee Dam Community as determined by him.

SEC. 4 [1] * * *

SEC. 5. The appraised values referred to in section 3 of this Act shall be determined from time to time for a period of five years after the date of this Act by the Administrator of Housing and Home Finance Agency or his designee [2] at the request of the Secretary. Thereafter, the Secretary may make such reappraisals as he deems necessary. Appraisals or reappraisals in the town area shall be made only after representatives of the Coulee Dam community, as determined by the Secretary, and of the Columbia Basin Commission, or such corresponding organization as may succeed it, have been granted an opportunity to offer advice. All appraisals and reappraisals shall be made on the basis of the properties' fair market value in the locality. In the sale of property to a tenant under subsections 3 (b) (1) and 3 (d) (1) of this Act, the value of structural improvements made at such tenant's own expense shall, to the extent the appraiser or appraisers hereunder determine that such improvements actually enhance the value of the property, be deducted from what would otherwise be the appraised value of the property to be sold; and the difference shall be deemed the appraised value for the purposes of this Act.

SEC. 6. The Secretary is authorized to transfer without cost out of the properties in his custody within the town and Grand Coulee areas ownership of—

(a) any Federally owned municipal-type property and facilities together with rights-of-way therefor, equipment, materials,

[1] Sec. 4 added provisions to section 223(a) of the National Housing Act to authorize FHA insurance of mortgages financing the purchase of housing. See 4-1.2, for the provisions of section 223(a).

[2] Effective September 19, 1957, the Federal Housing Commissioner was designated by the Housing and Home Finance Administrator to exercise the power vested in the Administrator under section 5 of this Act. See 60-15-4.

and supplies, in or serving said areas, including but not limited to the sewer, water, fire-alarm, street-lighting, electric feeder lines, and power-distribution systems, and the highways, streets, alleys, sidewalks, parks, and parking areas to the municipality or Grand Coulee if their respective areas are substantially served by such properties. Any such transfer to the municipality, however, will not be made unless the town area or a part thereof is incorporated within four years from the date of this Act;

(b) the school buildings and grounds, athletic fields, tennis courts, and other properties currently used for educational purposes to the appropriate school district; and

(c) highway improvements in and connecting the town and Grand Coulee areas and the bridge across the Columbia River, together with the necessary rights-of-way therefor to the State of Washington.

SEC. 7. (a) There is hereby made available out of the proceeds of sales made pursuant to section 3 of this Act an amount not to exceed $130,000 for expenditure, directly or through the local units of government involved, for work in connection with the disposal of sewage in the immediate vicinity of the town of Coulee Dam and the city of Grand Coulee, including betterment work on the existing open drain along the north side of the highway through the city of Grand Coulee. Of this amount the Secretary shall pay not more than $100,000 to Grand Coulee and not more than $30,000 to the municipality. Except to the extent that any expenditures have been made directly as provided in the preceeding sentence, the Secretary shall, upon application, pay to Grand Coulee the amount of $10,000 and to the municipality the amount of $3,000 for engineering surveys and drafting of specifications for proposed construction and/or improvement of sewage disposal and drainage facilities. After final drawings and specifications have been approved by the Secretary and the construction contracts have been entered into, the Secretary shall pay monthly to Grand Coulee and to the municipality additional amounts equivalent to earnings under their contracts as evidenced by construction progress reports certified by their contractors and by Grand Coulee and the municipality, but not to exceed a total of $90,000 for the former and $27,000 for the latter.

(b) Subject to the provisions of subsection 9 (a) of this Act, the following amounts shall be made available, out of the proceeds of sales made pursuant to section 3 of this Act, to the municipality if incorporated within four years from the date of this Act: (1) On incorporation, $44,000; (2) at the end of one year after incorporation, $21,000; and (3) at the end of two years after incorporation, $15,000.

(c) The Secretary is hereby authorized to make available as herein provided, as power and energy reserved for the operation and maintenance of the Columbia Basin project, for users in the town area and, to other communities within three and one-half miles of Grand Coulee Dam which are served by municipally owned distribution systems such amount of power and energy as, in his judgment, is needed to

meet load requirements for space-heating purposes existing at the time of incorporation of the municipality. Such power and energy may be made available directly to the users or indirectly through distributing agencies, for a period of ten years from the date of this Act, and may be at such special rates as the Secretary finds to be proper but at not less than cost.

SEC. 8. Property sold under any contract deferring transfer of title pending payment of the purchase price upon recordation of such contract in the county records shall be subject to the provisions of the laws of the State of Washington relating to the assessment and collection of property taxes, and to liens for such taxes and to all proceedings for the enforcement thereof, in the same manner and to the same extent as privately owned property. The United States does not assume any obligation for the amounts so assessed or taxed; and any proceedings to enforce them shall be subject to any title then remaining in the United States and to any prior lien reserved to the United States for unpaid installments under sale contracts made hereunder.

SEC. 9. (a) All proceeds from sales of property (including the assignment of contracts) authorized under section 2 of this Act are hereby appropriated for expenditure by the Secretary for (1) expenses of disposal of Federal property under this Act, including rebates, where appropriate, to vendees of the United States entitled to the discount provided under section 3 of this Act for attainment of early incorporation of the municipality, and (2) for purposes authorized in subsection 7 (a) and (1) of subsection 7 (b) of this Act: *Provided,* That amounts referred to in (2) and (3) of subsection 7 (b) of this Act shall be expended only after specific appropriation has been made by Congress therefor. So much of the aforesaid proceeds as is in excess of amounts which may be necessary for expenditures referred to in this subsection shall be covered into the reclamation fund.

(b) Transfers under this Act of Federal property to non-Federal ownership shall not result in any diminution of the reimbursable costs of the Columbia Basin project except to the extent that any net proceeds from sales of property under this Act are credited to said project.

SEC. 10. Transfers of Federal property under this Act shall not impair rights under leases granted by the United States.

SEC. 11. (a) The Secretary is authorized to perform such acts, to make such rules and regulations, and to include in any contracts and conveyances such provisions as he deems proper for the purpose of carrying out the provisions of this Act, including provisions for payment for furnishing of municipal facilities and services while such facilities and services are provided by the United States and for the establishment of liens in connection therewith. There are hereby authorized to be appropriated such sums, not otherwise appropriated, as may be required to carry out the purposes of this Act. Wherever in this Act functions, powers, and other duties are conferred upon the

Secretary, such functions, powers, and duties may be performed, exercised, or discharged by his duly authorized representatives.

(b) The Secretary is authorized to enter into contracts with the municipality whereby either party might undertake to render to the other such services in aid of the performance of activities and functions of the municipality and of the Department of the Interior within or near Coulee Dam as will, in the Secretary's judgment, contribute substantially to the efficiency or economy of the operations of the Department of the Interior.

(c) The authority conferred by this Act is in addition to any authority conferred by any other law and shall not be subject to the provisions of any law inconsistent herewith.

SEC. 12. This Act may be cited as the "Coulee Dam Community Act of 1957."

Approved August 30, 1957.

3. Disposal of Boulder City Properties

## 1. BOULDER CITY ACT OF 1958

[Public Law 85-900, 85th Congress, 72 Stat. 1726]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That it is the purpose of this Act to authorize the disposal of certain Federal property in that area in Clark County in the State of Nevada commonly known as Boulder City, now a part of the Boulder Canyon project, in order that the people of that area may enjoy local self-government and to facilitate the establishment by them of a municipal corporation under the laws of the State of Nevada.

SEC. 2. Wherever the following terms are used in this Act, they shall be interpreted as follows:

(a) "Adjustment Act" shall mean the Boulder Canyon Project Adjustment Act (54 Stat. 774);

(b) "Appraised value" shall be current fair market value;

(c) "Boulder City municipal area" shall consist of and include the tract of land particularly described as follows:

Lots 9, 10, 11, 12, south half north half, south half section 1; lots 8, 9, 10, 16, that portion of lot 21 lying south of the right-of-way of United States Highway 93–466 and east of the right-of-way of United States Highway 95, both as hereinafter specifically defined, southeast quarter northeast quarter, east half southeast quarter section 2: that part of lot 1 lying east of the right-of-way of United States Highway 95 and south of right-of-way of United States Highway 93–466, those parts of lots 4, 5, 8, lying east of the right-of-way of United States Highway 95, east half east half section 11; all sections 12 and 13; those parts of lots 1, 4, 5, 8, lying east of the right-of-way of United States Highway 95, east half east half section 14; lots 1, 4, 5, northeast quarter northeast quarter section 23; lots 1, 2, 3, 4, north half north half section 24; township 23 south, range 63 east; lots 8, 9, 10, section 1; all fractional sections 12, 13, 24, township 23 south, range 63½ east; south half south half section 28; south half south half section 29; lot 12, southeast quarter southwest quarter, south half southeast quarter section 30; lots 5, 8, 9, 12, east half west half, east half section 31; all sections 32 and 33; south half section 34, south half section 35, township 22 south, range 64 east; all sections 2, 3, 4, 5; lots 8, 9, 10, 11, 14, 15, 17, south half northeast quarter, southeast quarter northwest quarter, east half southwest quarter, southeast quarter section 6; all sections 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, township 23 south, range 64 east, Mount Diablo base and meridian, State of Nevada, containing 21,674.23 acres, more or less.

That portion of the east boundary of the right-of-way of United States Highway 95, together with a portion of the south boundary of the right-of-way of United States Highway 93–466 lying within the

west half east half of sections 2, 11, and 14, township 23 south, range 63 east, Mount Diablo base and meridian, with which it is required that the proposed west boundary of Boulder City shall conform, and to which reference was made in the foregoing description, is more specifically described as follows:

Beginning at the point of intersection of the east side of the right-of-way of Highway 95 with the original west boundary of the Boulder Canyon Project Reservation, this beginning point being located 2,315 feet north of corner numbered 2, the southwest corner of the said reservation.

Thence with the east side of the right-of-way of Highway 95, as defined by State highway map, project numbered 006–1, (1), north 9 degrees 40 minutes east, 2,156 feet to a point of curve bearing toward the west.

Thence with the curve, with a central angle of 13 degrees 06 minutes, and a radius of 5,200 feet, for a curve distance of 1,188.92 feet to a point of tangency.

Thence north 3 degrees 26 minutes west for a tangent distance of 4,979.48 feet to a point of curve bearing toward the east.

Thence with curve, with a central angle of 19 degrees and a radius of 1,800 feet for a curve distance of 596.98 feet to a point of tangency.

Thence north 15 degrees 34 minutes east for a tangent distance of 563.22 feet to a point of curve bearing toward the west.

Thence with the curve, with a central angle of 21 degrees 22 minutes 20 seconds and a radius of 2,200 feet for a curve distance of 820.63 feet to a highway monument marking the intersection of the east side of the right-of-way of Highway 95 with the south side of the right-of-way of Highway 93–466 leading to Boulder City.

Thence with the south side of the right-of-way of Highway 93–466 as it curves in a southeasterly direction with a central angle of 4 degrees 11 minutes 10 seconds and a radius of 3,700 feet with a chord bearing of south 54 degrees 08 minutes 40 seconds east for a curve distance of 270.32 feet to a point on a north and south sixteenth section line dividing the east half of section 2, township 23 south, range 63 east, Mount Diablo meridian, said point being south 00 degrees 05 minutes west 66.73 feet from the one-sixteenth section corner, marking the southeast corner of lot 21, section 2, township 23 south, range 63 east, Mount Diablo meridian, and a corner to the proposed Boulder City boundary, as first described hereinabove.

(d) "Boulder City Municipal Fund" shall mean the fund in the Treasury created by section 6 of this Act;

(e) "City" shall mean Boulder City, Nevada, prior to its incorporation as a municipality under the laws of the State of Nevada;

(f) "Colorado River Dam Fund" shall mean the special fund in the Treasury created by section 2 of the Project Act;

(g) "Department" shall mean the Department of the Interior;

(h) "Municipal operations" shall mean the financing, operation, maintenance, replacement, and expansion of municipal facilities and utilities and other operations of a municipal character;

(i) "Municipality" shall mean Boulder City, Nevada, after its incorporation as a municipality under the laws of the State of Nevada;

(j) "Persons employed by the Federal Government within or near the Boulder City municipal area" shall, in addition to the ordinary meaning of the term, include (1) retired employees who were so employed immediately prior to their retirement, (2) persons who were so employed on May 15, 1958, but who, because of a reduction in force, have ceased being so employed at the time property is offered for sale under subsections 3(b)(1) and 3(b)(2) of this Act, and (3) persons who have been so employed but who are, at the time property is offered for sale under subsections 3(b)(1) and 3(b)(2) of this Act, temporarily absent on other assignment (including foreign assignments) for the interest or convenience of the Federal Government. For the purpose of subsection 3(b)(2) of this Act, persons referred to in this subsection under (1), (2), and (3) shall be limited to those whose permanent residence is within the Boulder City municipal area.

(k) "Persons employed by the United States for purposes other than the construction, operation, and maintenance of the project" shall mean all persons who are so employed and who are resident in the municipality;

(l) "Persons employed in the construction, operation, and maintenance of the project" shall mean all persons who are so employed, whether by a Federal agency or by an agent designated pursuant to section 9 of the Adjustment Act, and who are resident in the municipality. This term shall not include persons employed in municipal operations of the municipality;

(m) "Project" shall mean the works authorized by the Project Act to be constructed and owned by the United States, exclusive of the diversion dam, main canal, and appurtenances mentioned therein, now known as the All-American Canal System;

(n) "Project Act" shall mean the Boulder Canyon Project Act (45 Stat. 1057);

(o) "Secretary" shall mean the Secretary of the Interior.

SEC. 3. (a) The Secretary is authorized to sell such dwelling houses, duplex houses or units thereof, and garages, with furniture, fixtures, and appurtenances, as are owned by the United States within the Boulder City municipal area and are not needed in connection with the administration, operation, and maintenance of Federal activities located within or near the Boulder City municipal area.

(b) Except in the case of property determined to be substandard under subsection (c) of this section, the following system of priority shall be established with respect to property authorized to be sold under subsection (a) of this section:

(1) Persons employed by the Federal Government within or near the Boulder City municipal area (and surviving spouses of such persons who have not remarried) who are tenants in Federal housing in Boulder City shall be offered the opportunity to purchase the property in which

they are tenants at the appraised value as established under subsection (d) of this section. This right of priority shall expire unless notice of intent to purchase has been received by the Secretary before the expiration of sixty days after the date on which the property has been offered for sale, and shall be deemed abandoned unless before the expiration of sixty days after the Secretary's tender of the instrument of transfer the prospective purchaser concludes the sale;

(2) Persons employed by the Federal Government within or near the Boulder City municipal area may apply to purchase housing not purchased under subsection (b)(1) of this section. Applicants to purchase shall be placed in order of opportunity to choose pursuant to a public drawing, but spouses of such applicants shall not be entitled to apply. Sales shall be made at the appraised value as established under subsection (d) of this section, and selections and purchases by successful applicants shall be concluded within limits of time to be established by the Secretary. A purchase under subsection (b)(1) or (b)(2) of this section shall render the purchaser and any spouse of such purchaser ineligible thereafter to purchase under subsection (b)(1) or (b)(2); and

(3) Property subject to disposal under this section and not sold pursuant to subsections (b)(1) and (b)(2) of this section shall be opened to bids from the general public, and shall be sold to the highest responsible bidder.

In the event that incorporation of the municipality shall be effected within four years after the date of this Act, persons purchasing housing under this subsection or their successors, assigns, or legal representatives, shall be entitled to a reduction in the purchase price (or rebate as appropriate) of 10 per centum: *Provided,* That no person who has purchased a house under the Act of May 25, 1948 (62 Stat. 268), shall be eligible for such reduction.

(c) Where the Secretary determines that property authorized to be sold under subsection (a) of this section is substandard, he shall sell such property only for off-site use, such property to be opened to bids from the general public for sale to the highest responsible bidder.

(d) The appraised value of all property to be sold under subsections (b)(1) and (b)(2) of this section, and of all lots leased or to be leased by the United States for the purpose of maintaining, locating, or erecting permanent structures thereon, shall be determined by an appraiser or appraisers to be designated by the Administrator of Housing and Home Finance Agency at the request of the Secretary. [1] Said appraisals shall be made promptly after the date of this Act, or immediately prior to the granting of any lease of lands not previously appraised, as the case may be. The representatives of the Boulder City community, as determined by the Secretary, shall be granted an opportunity to offer advice in connection with such appraisals.

(e) (1) Except as otherwise provided in this subsection, the Secretary is authorized to dispose of such multiple-unit garages, and such

[1] See 60-15-5 for the Acting Housing Administrator's designation of appraisers of the Federal Housing Administration, as appraisers in this program.

apartment houses together with furniture, fixtures, and appurtenances, including, without being limited to, any appurtenant garages, as are owned by the United States within the Boulder City municipal area. Such property shall be offered to the general public and sold to the highest responsible bidder.

(2) Of the property subject to disposal under this section, the Secretary is authorized to lease, to the corporation owning and operating the Boulder City hospital, for the purpose of providing living accommodations for employees of the hospital, not more than two dwelling houses, or not more than one dwelling house and one apartment-house building containing not more than six apartment units, together with furniture, and appurtenances, including, without being limited to, any appurtenant garage or garages. Upon incorporation of the municipality, the Secretary may transfer said property, together with the land on which it is situated, to the municipality without cost, subject to existing leases.

(f) (1) Except in the case of property determined to be substandard under subsection (c) of this section, the Secretary shall, pursuant to the first proviso under the heading "Boulder Canyon Project" in the Interior Department Appropriation Act, 1941 (54 Stat. 406, 437), lease to the purchasers thereof the lots on which structures sold under this section are situated. Any such lease shall be executed prior to transfer of title to the purchaser and shall incorporate the conditions enumerated in the proviso of subsection 4(a) of this Act.

(2) At the expiration of fiscal year 1963, unless incorporation of the municipality shall previously have been achieved, the Secretary may (A) negotiate the sale of the lessees thereof of all leased lands within the Boulder City municipal area, and (B) sell to the highest responsible bidder at not less than the appraised value as determined by the Secretary any other lands within the Boulder City municipal area not needed for Federal purposes, including the purposes of this Act.

(g) Except in the case of property determined to be substandard under subsection (c) of this section, the Secretary may sell any structure authorized to be sold under this section which is unsold at the time of incorporation of the municipality together with the land on which it is situated. Such sales shall be made, as near as may be, in accordance with the procedures and the system of priority established under subsections (b)(1), (b)(2), (b)(3), and (e) of this section; and, where applicable, the appraised value shall be the combined appraised value of structure and land.

(h) In the event that the Secretary finds that financing on reasonable terms is not available from other sources, he may, in order to facilitate the sale of property to be sold under subsections (b)(1) and (b)(2) of this section, accept, in partial payment of the purchase price of the property, notes secured by first mortgages on such terms and conditions as he deems appropriate. The maturity and percentage of appraised value in connection with such notes and mortgages shall not exceed

those prescribed under section 223(a) of the National Housing Act, [1] as herein further amended, and the interest rate shall equal the interest rate plus the premium being charged (and any periodic service charge being authorized by the Federal Housing Commissioner for properties of similar character) under section 223(a) of the National Housing Act, as herein further amended, at the effective date of such notes and mortgages. The Secretary may sell any such notes and mortgages on such terms as he deems appropriate.

(i) In establishing rules and regulations governing sales of property under this section and in determining the terms and conditions of such sales, the Secretary shall consult with representatives of the Boulder City community, as determined by him.

SEC. 4. (a) Upon incorporation of the municipality, the Secretary shall be authorized to transfer to the municipality without cost, subject to any existing leases granted by the United States, all improved lands within the Boulder City municipal area the improvements to which are privately owned and such unimproved lands within that area as the Secretary determines are not required in connection with the administration, operation, and maintenance of Federal activities located within or near the Boulder City municipal area, and to assign to the municipality without cost any leases granted by the United States on such lands: *Provided,* That any such lease shall provide, or, at the request of the holder of an existing lease, shall be amended to provide, (1) that, in the event the leased property shall be transferred to the municipality pursuant to this section, the holder of any such lease shall, for a period of two years after the date of incorporation of the municipality, be entitled to exercise an option to purchase the leased property at the original appraised value as determined pursuant to subsection 3 (d) of this Act, and shall, after the end of the aforesaid two-year period and until the expiration of the lease, be entitled to exercise an option to purchase the leased property at its appraised value as determined by a qualified appraiser or appraisers to be appointed by the governing authority of the muncipality; (2) that all determinations of appraised value with respect to the aforesaid property shall be made without reference to improvements on the leased property made or acquired at the expense of the current or any former lessee thereof; and (3) that, in the event that incorporation of the municipality shall be effected within four years after the date of this Act, the holder of the lease shall be entitled to a reduction in the price of any purchase under the aforesaid option of 10 per centum of the purchase price.

(b) In that part of Boulder City where federally owned lands not under lease are occupied by privately owned structures and which is commonly referred to as Lakeview Addition, the Secretary shall determine, by such method as may be appropriate, lot lines to conform, as nearly as is reasonable and feasible in his judgment, to the existing pattern of land occupancy. On submission of satisfactory proof of ownership, the Secretary shall offer to the owner a

[1] See 4-1.2.

lease, in accordance with the terms of the first proviso under the heading "Boulder Canyon Project" in the Interior Department Appropriation Act, 1941 (54 Stat. 406, 437), of the lot his structure is occupying, as determined and defined by the Secretary. Or, on request of any such owner, the Secretary may, in his discretion, lease to such owner, in lieu of the lot his structure is occupying, another lot in the Boulder City municipal area, to be approved by the Secretary, on condition that such owner agree to clear and vacate the former lot and to relocate or build on the lieu lot a habitable structure. Where the removal of any structure becomes necessary in order to accomplish the subdivision, the Secretary may acquire or relocate such structure. The continuing validity of any lease granted under this subsection shall be conditioned on the lessee's making proper connections to water, electric, and sewerage systems, and may be conditioned on the lessee's rehabilitation, replacement, or relocation of any or all structures occupying the land in order to bring about closer conformance with general standards prevailing in the community. Unless incorporation of the municipality shall previously have been achieved, the Secretary, at the expiration of fiscal year 1963, may terminate and may renegotiate, on such terms and conditions as he may prescribe, any lease of a lot granted under this subsection, except a lease of a lieu lot. The Secretary's determinations under this subsection shall be final and conclusive.

SEC. 5. (a) Subject to the provisions of subsection 9 (a) and section 11 of this Act, the Secretary shall transfer all activities and functions of a municipal character to the municipality upon its incorporation.

(b) The Secretary is authorized to transfer to the appropriate school district all right, title, and interest of the United States to all the school buildings and related equipment and facilities, and to lands upon which they are situated, owned by the United States in the Boulder City municipal area.

(c) Upon its incorporation, the Secretary shall transfer to the municipality, subject to the limitation contained in subsection (d) of this section, all real and personal property, including, but not limited to, buildings, lands, equipment, facilities, works, and utilities, owned by the United States, and used primarily in the performance of activites and functions to be transferred under subsection (a) of this section.

(d) The Secretary shall determine which contracts to which the United States is now a party concern activities and functions to be transferred under subsection (a) of this section and are properly assignable to the municipality. The Secretary shall assign such contracts to the municipality upon its incorporation, and the acceptance of such assignment by the municipality shall be a condition precedent to the transfer of property under subsection (c) of this section.

SEC. 6. (a) There is hereby established in the Treasury a special fund to be known as the Boulder City Municipal Fund. All proceeds from the disposal under this Act of Federal property lying within the Boulder City municipal area shall be deposited in such fund.

(b) (1) Moneys in the Boulder City Municipal Fund are hereby appropriated for expenditure at the direction of the Secretary for payment of the expenses of the disposal of property under sections 3, 4, and 5 of this Act, including the cost of subdividing land and affecting the necessary acquisition or relocation of structures under subsection 4 (b) of this Act and the payment of rebates, where appropriate to vendees of the United States entitled to the special benefit provided under section 3 of this Act for attainment of early incorporation of the municipality.

(2) There are hereby authorized to be appropriated from moneys in the Boulder City Municipal Fund, or from general funds, (A) an amount not to exceed $75,000 for payment to the municipality for replacement and rehabilitation of municipal facilities and utilities, such payment to be diminished by an amount, as estimated by the Secretary, equal to the revenues which would otherwise probably have accrued to the United States from municipal operations of the city between the date of incorporation of the municipality and the end of the fiscal year in which such date falls; and (B) an amount not to exceed $150,000 for expenditure by the Secretary for such initial construction or improvement of, or additions to, street, water, electric, and sewerage systems for that part of Boulder City referred to in subsection 4 (b) of this Act as Lakeview Addition as the Secretary may deem necessary toward conformance with general standards for such utilities and facilities prevailing in the community.

(c) Except for such sums as may be required for expenditures under subsection (b) (1) of this section, all moneys remaining in and accruing to the Boulder City Municipal Fund either (1) after the date of incorporation of the municipality, or (2) after the expiration of fiscal year 1963, if such incorporation shall not then have been achieved, shall be divided into two parts, as determined by the Secretary, representing project and nonproject investments in the property yielding the moneys deposited in the Boulder City Municipal Fund. Said parts shall be covered into the general fund of the Treasury, but the first part shall constitute a payment to the Treasury diminishing the obligation under section 2 of the Adjustment Act to repay advances and readvances to the Colorado River Dam Fund, and the rates computed pursuant to section 1 of said act shall reflect such diminution: *Provided,* That, solely for the purpose of effecting the aforesaid division, the principal of all mortgage obligations held by the United States pursuant to section 3 of this Act shall then be deemed to have been paid in full into the Boulder City Municipal Fund; and all moneys thereafter received by the United States in payment of principal, interest, or other charges under such mortgage obligations shall be covered into the general fund of the Treasury, except as such moneys may initially be required to repay the outstanding portion of any loan under subsection (d) of this section.

(d) The Secretary, if he deems it necessary, may arrange for the loan of moneys from the Colorado River Dam Fund to the Boulder City Municipal Fund in order that he may make expenditures pur-

suant to subsections (b) (1) and (b) (2) of this section prior to the receipt of sufficient revenue from the disposal of property under this Act, the loans to be repaid out of such revenues.

(e) Upon its incorporation, the Secretary shall cause to be paid over to the municipality all unobligated balances from appropriations available for municipal operations of the city, less the estimated cost for the remainder of the fiscal year after incorporation of furnishing water to the municipality pursuant to section 9 of this Act.

SEC. 7. Nothing in this Act shall affect any component of the rates and charges for electrical energy generated at Hoover Dam for amortization of the cost of works and improvements on land, including the school buildings and related facilities and equipment, within the Boulder City municipal area, transferred to non-Federal ownership pursuant to this Act less that part of such cost allocated by the Secretary to nonproject purposes pursuant to those portions of the Interior Department Appropriations Act, 1949 and 1950 (62 Stat. 1112, 1130; 63 Stat. 765, 784), under the headings "Colorado River Dam Fund" which, in the case of each statute, follow the first sentence thereof. Effective at the beginning of the first full fiscal year after the date of incorporation of the municipality, if achieved before the expiration of fiscal year 1963, the aforesaid provisions of law are hereby repealed.

SEC. 8. From the electrical energy reserved to the United States under article 4 of the "General Regulations for Generation and Sale of Power in Accordance With the Boulder Canyon Project Adjustment Act," promulgated by the Secretary on May 20, 1941, the Secretary is authorized to deliver, at the Boulder City substation, at rates determined on the basis of (a) the Adjustment Act and (b) any other costs incurred in connection with such delivery, up to a maximum demand of seventeen thousand kilowatts to the municipality for its own use or for resale for use within the Boulder City municipal area less such capacity as is required by the United States for pumping water delivered to the municipality pursuant to section 9 of this Act: *Provided,* That should the present electrical energy requirements of the Bureau of Mines in Boulder City be substantially curtailed or discontinued, the maximum demand for the use of the municipality may be increased at the discretion of the Secretary up to nineteen thousand five hundred kilowatts less such capacity as is required by the United States for pumping water delivered to the municipality pursuant to section 9 of this Act: *Provided further,* That the electrical energy delivered hereunder to the municipality in any one year shall not exceed eighty million kilowatt-hours, less such energy as is required by the United States for pumping water delivered to the municipality pursuant to section 9 of this Act, and that this amount shall be reduced in any year in which there is a deficiency in electrical energy available from the Boulder Canyon project in the same proportion as firm energy delivered to allottees is reduced in such year below firm energy as defined in said general regulations.

SEC. 9. (a) Because of its climate and its location with respect to the only source of water, Boulder City faces extraordinary difficulties in connection with a domestic water supply. In recognition of this fact, the existing water supply system from Hoover Dam to, but not including, the Boulder City storage tanks shall be retained by the United States and shall be operated and maintained by the Secretary in order to supply water to the municipality at said storage tanks, for domestic, industrial, and municipal purposes, at a maximum rate of delivery of three thousand six hundred and fifty gallons a minute: *Provided,* That the cost of supplying such water, to the extent of not more than $150,000 in any one year, shall be borne as provided in subsection (c) of this section: *Provided further,* That the municipality shall assume (i) all additional costs of supplying water under this section and (ii) all costs of filtration and treatment of water supplied under this section. There shall be no charge under the contract between the United States and the State of Nevada dated March 30, 1942, as amended, for water delivered in accordance with this section. Such delivery shall be subject to the availability of water for use in the State of Nevada under the provisions of the Colorado River compact and the Project Act and, except as hereinabove provided with respect to the charge for water, shall be in accordance with the terms of the aforesaid contract.

(b) As of the end of each year of project operation, or fraction thereof, after incorporation of the municipality, the Secretary shall determine the number of all persons employed in the construction, operation, and maintenance of the project and the number of all persons employed by the United States for purposes other than the construction, operation, and maintenance of the project.

(c) The Secretary shall divide the cost for each year of project operation, or fraction thereof, after the incorporation of the municipality, of supplying water under subsection (a) of this section into two parts. The first such part shall bear the same ratio to the second such part as the number of all persons employed in the construction, operation, and maintenance of the project, as determined by the Secretary under subsection (b) of this section, bears to the number of all persons employed by the United States for purposes other than construction, operation, and maintenance of the project, as determined by the Secretary under subsection (b) of this section. Notwithstanding the provisions of this subsection, the first part as aforesaid shall in no instance exceed 65 per centum of the total cost of furnishing water under subsection (a) of this section. Such total cost, less a sum equal to part 1 as aforesaid, shall constitute an amount whereby the obligation under section 2 of the Adjustment Act to repay to the Treasury advances and readvances to the Colorado River Dam Fund shall be diminished annually; and the rates computed pursuant to section 1 of said Act shall reflect such diminution.

(d) If the requirements of the municipality shall at any time exceed three thousand six hundred and fifty gallons a minute, the Secretary may furnish whatever additional water and whatever addi-

tional carrying capacity may be needed. The municipality shall bear the full cost of furnishing such additional water; and before the commencement of any construction to provide additional carrying capacity, the municipality shall enter into a repayment contract for the return to the United States of the full cost of furnishing such additional carrying capacity over a period of not more than forty years from the date when the facilities providing such additional carrying capacity are placed in service. Interest not exceeding the rate of 3 per centum per annum of the unamortized construction costs shall be paid.

(e) At the end of each period of five years after the date of incorporation of the municipality, the Secretary shall investigate the need for continuation of all or part of the assistance to the municipality provided under this section and shall report his findings and recommendations to the Congress as soon thereafter as practicable.

SEC. 10. In all sales, leases, transfers, and grants of Federal real property situated within the Boulder City municipal area the Secretary shall attach conditions involving such use restrictions as he may deem reasonable and necessary to preserve those community standards consistent with the national use and enjoyment of the project. Such restrictions shall include, without being limited to, restrictions against use of the property for the manufacture, sale, or distribution of intoxicating liquors (except light wines and beer or similar malt beverages and only to the extent that such manufacture, sale, or distribution is in accordance with State and local laws), or narcotics, or habit-forming drugs, or for gambling, prostitution, or lewd or immoral conduct. The sale or distribution of intoxicating liquors, narcotics, or habit-forming drugs in accordance with State and local laws for medical or pharmaceutical purposes shall be deemed not a violation of such conditions. Upon a determination, as hereinafter provided, that there has been a breach of any such condition by, or with the express or implied consent of, the grantee, his successors, assigns, or legal representatives, the United States shall have, and the Secretary shall thereupon exercise, the right to reenter the property or any part thereof and declare all right, title, and interest in and to the property or part thereof forfeited to the United States. Determination of a breach as aforesaid shall be by appropriate proceedings which the Attorney General of the United States shall institute, on recommendation of the Secretary, in the United States district court for the district in which the property is located. Nothing contained herein shall prejudice the cancellation of leases for breach of similar conditions or covenants contained therein or the enforcement by other appropriate means of such conditions or covenants.

All conditions attached pursuant to this section shall continue in full force and effect until, by election or referendum held especially for this purpose not less than three years after incorporation of the municipality, a majority of the registered voters of the municipality participating in such election shall have voted to dispense with all the aforesaid conditions simultaneously.

SEC. 11. The Secretary is authorized to enter into contracts with the municipality whereby either party might undertake to render to the other such services in aid of the performance of activities and functions of the municipality and of the Department within or near Boulder City as will in the Secretary's judgment contribute substantially to the efficiency or economy of the operations of the Department.

SEC. 12. Paragraph (3) of subsection 223 (a) of the National Housing Act, as amended,[1] is hereby amended by changing the final semicolon in the paragraph to a comma and adding at the end of the paragraph the following: "of any permanent housing under the jurisdiction of the Department of the Interior constructed under the Boulder Canyon Project Act of December 21, 1928, as amended and supplemented, located within the Boulder City municipal area: *Provided,* That for purposes of the application of this title to sales by the Secretary of the Interior pursuant to subsections 3 (b) (1) and 3 (b) (2) of the Boulder City Act of 1958, the selling price of the property involved shall be deemed to be the appraised value; or".

SEC. 13. The provisions of this Act for the disposal of federally owned property are to be carried out notwithstanding any other provisions of law: *Provided,* That nothing in this Act shall be deemed to affect any existing right-of-way heretofore granted under the provisions of the Project Act or otherwise, or any rights reserved to the United States in connection with grants of such rights-of-way.

SEC. 14. This Act shall be a supplement to the Project Act and the Adjustment Act, and said Acts shall govern the administration of this Act, except as is otherwise herein provided.

SEC. 15. The Secretary is hereby authorized, subject only to the provisions of this Act, to perform such acts, to delegate such authority, and to prescribe such rules and regulations and establish such terms and conditions as he may deem necessary and proper for the purpose of carrying the provisions of this Act into full force and effect.

SEC. 16. Except as provided in subsection (f) (2) of section 3, subsection (b) of section 4, and subsection (c) of section 6 of this Act, all authority of the Secretary under this Act shall terminate at the expiration of fiscal year 1963, unless incorporation of the municipality shall previously have been achieved.

SEC. 17. The second and third provisos of the penultimate paragraph under the heading "Office of Education" in the Departments of Labor and Health, Education, and Welfare Appropriation Act, 1954 (67 Stat. 245, 250), are hereby repealed.

SEC. 18. This Act may be cited as the "Boulder City Act of 1958."

Approved September 2, 1958.

[1] See 4-1.2.

**20. Defense Mobilization Activities**

**1. Control of Real Estate Credit [1]**

# 1. EXCERPTS FROM THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

[Public Law 774, 81st Congress; 64 Stat. 798; 50 U.S.C. 2131 et seq. (1946 ed. Supp. IV)]

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## TITLE VI—CONTROL OF REAL ESTATE CREDIT [2]

This title authorizes the regulation of real estate construction credit only.

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[1] Effective September 16, 1952, following certification by the Secretary of Labor that new nonfarm housing starts had been below an annual rate of 1,200,000 units for three consecutive months (see sec. 607 of the Defense Production Act), credit controls on Government-aided housing were substantially relaxed and the Federal Reserve Board suspended Regulation X governing conventional residential credit. The remaining credit controls on Government-assisted housing were removed effective April 17, 1953. Section 11 of the Defense Production Act Amendments of 1953, Public Law 95, 83d Congress, approved June 30, 1953, 67 Stat. 129, 131, provided that title VI (Control of Real Estate Credit) of the Defense Production Act and all authority thereunder should expire June 30, 1953. However, see sec. 717(c) of the Defense Production Act which preserves the obligations of the builders of programmed defense housing in critical defense housing areas with the assistance of relaxed credit controls to provide housing to defense workers or military personnel.

[2] Section 11 of the Defense Production Act Amendments of 1953, Public Law 95, 83d Congress, approved June 30, 1953, 67 Stat. 129, 131, provided that title VI should expire June 30, 1953.

See also title I of the Defense Housing and Community Facilities and Services Act of 1951, Public Law 139, 82nd Congress, 9-2-1.1. Section 102(b) of that Act provides that residential credit restrictions shall be suspended in critical defense housing areas as to certain housing for defense workers, and for relaxation of credit restrictions for other housing needed for defense workers in such areas. Section 101(a) provides for the designation of critical defense housing areas by the President and the conditions which must exist before an area can be designated as a critical defense housing area. See also 9-2-2, Executive Order 10296, which delegates to the Director of Defense Mobilization the President's authority under Public Law 139 to designate critical defense housing areas.

Section 203 of the Defense Production Act Amendments of 1951, Public Law 96, 82d Congress, approved July 31, 1951, 65 Stat. 131, added provisions to section 204 of the Housing and Rent Act of 1947 for the determination and certification of critical defense housing areas and the imposition of rent controls in such areas. As amended subsection (m) of section 204 provided:

"(m) Whenever an area has been certified under subsection (l) to be a critical defense housing area, real-estate construction credit controls imposed under title VI of the Defense Production Act of 1950 shall be relaxed to the extent necessary to encourage construction of housing for defense workers and military personnel: *Provided*, That the certification, pursuant to subsection (1), that an area is a critical defense housing area shall not be effective in such area for any of the purposes of this section until such real-estate construction credit controls have been relaxed as provided in this subsection to the extent necessary in the determination of the President. The fact that any area has been certified as a critical defense housing area under subsection (1) shall not make such area ineligible for the location of additional defense plants, facilities, or installations, or as a source of additional military procurement of any sort."

Sec. 203 of the Defense Production Act Amendments of 1952, Public Law 429, 82d Congress, approved June 30, 1952, 66 Stat. 296, 307, authorized the Di-

SEC. 601. Repealed [1]

SEC. 602. (a) To assist in carrying out the purposes of this Act, the President is authorized from time to time to prescribe regulations with respect to such kind or kinds of real estate construction credit which thereafter may be extended as, in his judgment, it is necessary to regulate in order to prevent or reduce excessive or untimely use of or fluctuations in such credit. Such regulations may, among other things, prescribe maximum loan or credit values, minimum down payments in cash or property, trade-in or exchange values, maximum maturities, maximum amounts of credit, rules regarding the amount, form, and time of various payments, rules against any credit in specified circumstances, rules regarding consolidations, renewals, revisions, transfers, or assignments of credit, and rules regarding other similar or related matters. Such regulations may classify persons and transactions and may apply different requirements thereto, and may include such administrative provisions as in the judgment of the President are reasonably necessary in order to effectuate the purposes of this section or to prevent evasions thereof.

In prescribing and suspending such regulations,[2] including changes from time to time to take account of changing conditions, the President shall consider, among other factors, (1) the level and trend of real estate construction credit and the various kinds thereof, (2) the effect of the use of such credit upon (i) purchasing power and (ii) demand for real

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rector of Defense Mobilization to appoint a Defense Areas Advisory Committee to advise him in connection with the exercise of any function vested in him by section 204 (l) of the Housing and Rent Act of 1947, as amended, or section 101 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, with respect to determining any area to be a critical defense housing area. The Committee was to consist, in addition to a chairman, of representatives of the Department of Defense, the Housing and Home Finance Agency, and the Office of Rent Stabilization. Section 10 of the Housing and Rent Act of 1953, Public Law 23, 83d Congress, approved April 30, 1953, 67 Stat. 23, 25, amended section 203 to remove the Office of Rent Stabilization from the Committee. See 9-2-3, Defense Mobilization Order No. I-3.

See also sec. 611 of the Defense Housing and Community Facilities and Services Act of 1951, Public Law 139, 82d Congress, 9-2-1.4, which authorizes the Housing Administrator to permit persons displaced from their homes or property by the acquisition of property for defense installations to occupy or purchase housing for which credit restrictions have been relaxed.

[1] Sec. 601 was repealed by sec. 116 of the Defense Production Act Amendments of 1952, Public Law 429, 82d Congress, approved June 30, 1952, 66 Stat. 296, 305. Sec. 601 authorized the Federal Reserve Board to control consumer credit.

[2] See also title I of the Defense Housing and Community Facilities and Services Act of 1951, Public Law 139, 82d Congress, 9-2-1.1; and amendments to section 204 of the Housing and Rent Act of 1947, as amended, as provided in section 203 of the Defense Production Act Amendments of 1951, Public Law 96, 82d Congress, approved July 31, 1951, 65 Stat. 131.

property and improvements thereon and for other goods and services, (3) the need in the national economy for the maintenance of sound credit conditions, and (4) the needs for increased defense production.

(b) No person shall extend or maintain any real estate construction credit, or renew, revise, consolidate, refinance, purchase, sell, discount, or lend or borrow on, any obligation arising out of any such credit, or arrange for any of the foregoing, in contravention of any regulation prescribed by the President pursuant to this section. Any person who extends or maintains any such credit, or renews, revises, consolidates, refinances, purchases, sells, discounts, or lends or borrows on, any obligation arising out of any such credit, or arranges for any of the foregoing, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and make such reports, under oath or otherwise, as the President may by regulation require as necessary or appropriate in order to effectuate the purposes of this section; and such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the President as the President may deem necessary or appropriate. The requirements of this section apply whether a person is acting as principal, agent, broker, vendor, or otherwise.

(c) To assist in carrying out the purposes of this section, the President by regulation may require transactions or persons or classes thereof subject to this section to be registered; and, after notice and opportunity for hearing, the President by order may suspend any such registration for violation of this section or any regulation prescribed by the President pursuant to this section. The provisions of section 25 of the Securities Exchange Act of 1934, as amended, shall apply in the case of any such order of the President in the same manner that such provisions apply in the case of orders of the Securities and Exchange Commission under that Act. In carrying out this section, the President may act through and may utilize the services of the Board of Governors of the Federal Reserve System, the Federal Reserve banks, and any other agencies, Federal or State, which are available and appropriate.

(d) For the purposes of this section, unless the context otherwise requires, the following terms shall have the following meanings, but the President may in his regulations further define such terms and, in addition, may define technical, trade, accounting, and other terms, insofar as any such definitions are not inconsistent with the provisions of this section:

(1) "Real estate construction credit" means any credit which (i) is wholly or partly secured by, (ii) is for the purpose of purchasing or carrying, (iii) is for the purpose of financing, or (iv) involves a right to acquire or use, new construction on real property or real property on which there is new construction. As used in this paragraph the term "new construction" means any structure, or any major addition or major improvement to a structure, which has not been begun before 12

o'clock meridian, August 3, 1950. As used in this paragraph the term "real property" includes leasehold and other interests therein. Notwithstanding the foregoing provisions of this paragraph, the term "real estate construction credit" shall not include any loan or loans made, insured, or guaranteed by any department, independent establishment or agency in the executive branch of the United States, or by any wholly owned Government corporation, or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended.

(2) "Credit" means any loan, mortgage, deed of trust, advance, or discount; any conditional sale contract; any contract to sell or sale or contract of sale, of property or services, either for present or future delivery, under which part or all of the price is payable subsequent to the making of such sale or contract; any rental-purchase contract, or any contract for the bailment, leasing, or other use of property under which the bailee, lessee, or user has the option of becoming the owner thereof, obligates himself to pay as compensation a sum substantially equivalent to or in excess of the value thereof, or has the right to have all or part of the payments required by such contract applied to the purchase price of such property or similar property; any option, demand, lien, pledge, or similar claim against, or for the delivery of property or money; any purchase, discount, or other acquisition of, or any credit under the security of, any obligation or claim arising out of any of the foregoing; and any transaction or series of transactions having a similar purpose or effect.

SEC. 603. Any person who willfully violates any provision of section 601, 602, or 605 or any regulation or order issued thereunder, upon conviction thereof, shall be fined not more than $5,000 or imprisoned not more than one year, or both.

SEC. 604. All the present provisions of sections 21 and 27 of the Securities Exchange Act of 1934, as amended (relating to investigations, injunctions, jurisdictions, and other matters), shall be as fully applicable with respect to the exercise by the Board of Governors of the Federal Reserve System of credit controls under section 601 as they are now applicable with respect to the exercise by the Securities and Exchange Commission of its functions under that Act, and the Board shall have the same powers in the exercise of such credit controls as the Commission now has under the said sections 21 and 27.

SEC. 605. To assist in carrying out the objectives of this Act the President may at any time or times, notwithstanding any other provision of law, reduce, for such period as he shall specify, the maximum authorized principal amounts, ratios of loan to value or cost, or maximum maturities of any type or types of loans on real estate which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch of the United States Government, or by any wholly owned Government corporation or by any mixed-ownership Government corporation as defined in the Government Corporation Control Act, as amended, or reduce or suspend [1] any such authorized loan program, upon a determination,

[1] See also title I and section 611 of the Defense Housing and Community Facili-

after taking into consideration the effect thereof upon conditions in the building industry and upon the national economy and the needs for increased defense production, that such action is necessary in the public interest: *Provided,* That in the exercise of these powers, the President shall preserve the relative credit preferences accorded to veterans under existing law: *And provided further,*[1] That no more than 4 per centum down payment shall be required in connection with the loan on any home made or guaranteed by the Veterans' Administration pursuant to the Servicemen's Readjustment Act of 1944, as amended, and the sales price of which home does not exceed $7,000; and no more than 6 per centum down payment shall be required in connection with any such loan where the sales price exceeds $7,000 but does not exceed $10,000; and no more than 8 per centum down payment shall be required in connection with any such loan where the sales price exceeds $10,000 but does not exceed $12,000. Subject to the provision of this section with respect to preserving the relative credit preferences accorded to veterans under existing law, the President may require lenders or borrowers and their successors and assigns to comply with reasonable conditions and requirements, in addition to those provided by other laws, in connection with any loan of a type which has been the subject of action by the President under this section. Such conditions and requirements may vary for classifications of persons or transactions as the President may prescribe, and failure to comply therewith shall constitute a violation of this section.[2]

SEC. 606.[3] Not more than 10 per centum down payment shall be required pursuant to section 602 or section 605 of this Act in connection with the loan on any home not made or guaranteed by the Veterans' Administration and the transaction price of which home does not exceed $7,000; nor more than 15 per centum in connection with any such loan on any home the transaction price of which exceeds $7,000 but does not exceed $10,000; nor more than 20 per centum in connection with any such loan on any home the transaction price of which exceeds $10,000 but does not exceed $12,000. The term of any loan referred to in the preceding sentence or in the last proviso of section 605 shall not be required to be less than twenty-five years.

SEC. 607.[4] Notwithstanding the provisions of section 602 and 605 of this title, the authority of the President which is derived from said

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ties and Services Act of 1951, Public Law 139, 82d Congress, 9-2-1.1 and 9-2-1.4, and amendments to section 204 of the Housing and Rent Act of 1947, as amended, set forth in footnote 2, 20-1.1, page 1.

[1] This proviso was added by section 602 of the Defense Housing and Community Facilities and Services Act of 1951, Public Law 139, 82d Congress, approved September 1, 1951, 65 Stat. 293.

[2] This sentence and the preceding sentence were added by section 106(c) of the Defense Production Act Amendments of 1951, Public Law 96, 82d Congress, approved July 31, 1951, 65 Stat. 131.

[3] Section 606 was added by section 602 of the Defense Housing and Community Facilities and Services Act of 1951, Public Law 139, 82d Congress, approved September 1, 1951, 65 Stat. 293.

[4] Section 607 was added by sec. 116 (b) of the Defense Production Act Amendments of 1952, Public Law 429, 82d Congress, approved June 30, 1952, 66 Stat. 296, 305.

sections to impose credit regulations relative to residential property shall not be exercised with respect to extensions of credit made during any "period of residential credit control relaxation", as that term is herein defined, in such manner as to impose any down payment requirement in excess of 5 per centum of the transaction price. The President shall cause to be made estimates of the number of permanent, non-farm, family dwelling units, the construction of which has been started during each calendar month and, on the basis of such estimates, he shall cause to be made estimates of the annual rate of construction starts during each such month, after making reasonable allowance for seasonal variations in the rate of construction. If for any three consecutive months the annual rate of construction starts so found for each of the three months falls to a level below an annual rate of 1,200,000 starts per year, the President shall cause to be published in the Federal Register an announcement of the beginning of a "period of residential credit control relaxation", which period shall begin not later than the first day of the second calendar month following such three consecutive months. Each such relaxation period may be terminated by the President at any time after the annual rate of construction starts thereafter estimated for each of any three consecutive months exceeds the level referred to in the preceding sentence.

## TITLE VII—GENERAL PROVISIONS

* * *

SEC. 702. As used in this Act—

(a) The word "person" includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing: *Provided,* That no punishment provided by this Act shall apply to the United States, or to any such government, political subdivision, or government agency.

(b) The word "materials" shall include raw materials, articles, commodities, products, supplies, components, technical information, and processes.

(c) The word "facilities" shall not include farms, churches or other places of worship, or private dwelling houses.

(d)[1] The term "national defense" means programs for military and atomic energy production or construction, military assistance to any foreign nation, stockpiling, and directly related activity.

(e) The words "wages, salaries, and other compensation" shall include all forms of remuneration to employees by their employers for personal services, including, but not limited to, vacation and holiday payments, night shift and other bonuses, incentive payments, year-end bonuses, employer contributions to or payments of insurance or welfare benefits, employer contributions to a pension fund or annuity, payments in kind, and premium overtime payments.

SEC. 703. (a) Except as otherwise specifically provided, the President may delegate any power or authority conferred upon him by this Act to any officer or agency of the Government, including any new agency or agencies (and the President is hereby authorized to create such new agencies, other than corporate agencies, as he deems necessary), and he may authorize such redelegations by that officer or agency as the President may deem appropriate. The President is authorized to appoint heads and assistant heads of any such new agencies, and other officials therein of comparable status, and to fix their compensation, without regard to the Classification Act of 1949, as amended, the head of one such agency to be paid at a rate comparable to the compensation paid to the heads of executive departments of the Government, and other such heads, assistant heads, and officials at rates comparable to the compensation paid to the heads and assistant heads of independent agencies of the Government. Any officer or agency may employ civilian personnel for duty in the United States, including the District of Columbia, or elsewhere, without regard to section 14 of the Federal

[1] Amended to read as set forth in the text by sec. 8 of the Defense Production Act Amendments of 1953, Public Law 95, 83d Congress, approved June 30, 1953, 67 Stat. 129, 130. Prior to amendment subsection (d) read as follows: "The term 'national defense' means the operations and activities of the armed forces, the Atomic Energy Commission, or any other Government department or agency directly or indirectly and substantially concerned with the national defense, or operations or activities in connection with the Mutual Defense Assistance Act of 1949 as amended."

Employees Pay Act of 1946 (60 Stat. 219), as the President deems necessary to carry out the provisions of this Act.

(b) The head and assistant heads of any independent agency created to administer the authority conferred by title IV of this Act shall be appointed by the President, by and with the advice and consent of the Senate. There shall be included among the policy-making officers of each regional office administering the authority conferred by title IV of this Act a resident of each State served by such office whose governor requests such representation.

SEC. 704. The President may make such rules, regulations, and orders as he deems necessary or appropriate to carry out the provisions of this Act. Any regulation or order under this Act may be established in such form and manner, may contain such classifications and differentiations, and may provide for such adjustments and reasonable exceptions as in the judgment of the President are necessary or proper to effectuate the purposes of this Act, or to prevent circumvention or evasion, or to facilitate enforcement of this Act, or any rule, regulation, or order issued under this Act.

* * *

SEC. 705. (a) The President shall be entitled, while this Act is in effect and for a period of two years thereafter, by regulation, subpena, or otherwise, to obtain such information from, require such reports and the keeping of such records by, make such inspection of the books, records, and other writings, premises or property of, and take the sworn testimony of, and administer oaths and affirmations to, any person as may be necessary or appropriate, in his discretion, to the enforcement or the administration of this Act and the regulations or orders issued thereunder. The President shall issue regulations insuring that the authority of this subsection will be utilized only after the scope and purpose of the investigation, inspection, or inquiry to be made have been defined by competent authority, and it is assured that no adequate and authoritative data are available from any Federal or other responsible agency. In case of contumacy by, or refusal to obey a subpena served upon, any person referred to in this subsection, the district court of the United States for any district in which such person is found or resides or transacts business, upon application by the President, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirement under this section or from attending and testifying or from producing books, papers, documents, and other evidence in obedience to a subpena before any grand jury or in any court or administrative proceeding based upon or growing out of any alleged violation of this Act on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no natural person shall be prosecuted or subjected to any penalty or forfeiture in any court, for or on account of any trans-

action, matter, or thing concerning which he is so compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such natural person so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying: *Provided*, That the immunity granted herein from prosecution and punishment and from any penalty or forfeiture shall not be construed to vest in any individual any right to priorities assistance, to the allocation of materials, or to any other benefit which is within the power of the President to grant under any provision of this Act.

(c) The production of a person's books, records, or other documentary evidence shall not be required at any place other than the place where such person usually keeps them, if, prior to the return date specified in the regulations, subpena, or other document issued with respect thereto, such person furnishes the President with a true copy of such books, records, or other documentary evidence (certified by such person under oath to be a true and correct copy) or enters into a stipulation with the President as to the information contained in such books, records, or other documentary evidence. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

(d) Any person who willfully performs any act prohibited or willfully fails to perform any act required by the above provisions of this section, or any rule, regulation, or order thereunder, shall upon conviction be fined not more than $1,000 or imprisoned for not more than one year or both.

(e) Information obtained under this section which the President deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information shall not be published or disclosed unless the President determines that the withholding thereof is contrary to the interest of the national defense, and any person willfully violating this provision shall, upon conviction, be fined not more than $10,000, or imprisoned for not more than one year, or both.

* * *

(f) Any person subpenaed under this section shall have the right to make a record of his testimony and to be represented by counsel.

SEC. 706 (a) Whenever in the judgment of the President any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this Act, he may make application to the appropriate court for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and upon a showing by the President that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order, with or without such injunction or restraining order, shall be granted without bond.

(b) The district courts of the United States and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction of violations of this Act or any

rule, regulation, order, or subpena thereunder, and of all civil actions under this Act to enforce any liability or duty created by, or to enjoin any violation of, this Act or any rule, regulation, order, or subpena thereunder. Any criminal proceeding on account of any such violation may be brought in any district in which any act, failure to act, or transaction constituting the violation occurred. Any such civil action may be brought in any such district or in the district in which the defendant resides or transacts business. Process in such cases, criminal or civil, may be served in any district wherein the defendant resides or transacts business or wherever the defendant may be found; the subpena for witnesses who are required to attend a court in any district in such case may run into any other district. The termination of the authority granted in any title or section of this Act, or of any rule, regulation, or order issued thereunder, shall not operate to defeat any suit, action, or prosecution, whether theretofore or thereafter commenced, with respect to any right, liability, or offense incurred or committed prior to the termination date of such title or of such rule, regulation, or order. No costs shall be assessed against the United States in any proceeding under this Act. All litigation arising under this Act or the regulations promulgated thereunder shall be under the supervision and control of the Attorney General.

SEC. 707. No person shall be held liable for damages or penalties for any act or failure to act resulting directly or indirectly from compliance with a rule, regulation, or order issued pursuant to this Act, notwithstanding that any such rule, regulation, or order shall thereafter be declared by judicial or other competent authority to be invalid. No person shall discriminate against orders or contracts in which priority is assigned or for which materials or facilities are allocated under title I of this Act or under any rule, regulation, or order issued thereunder, by charging higher prices or by imposing different terms and conditions for such orders or contracts than for other generally comparable orders or contracts, or in any other manner.

SEC. 708 (a) The President is authorized to consult with representatives of industry, business, financing, agriculture, labor, and other interests, with a view to encouraging the making by such persons with the approval by the President of voluntary agreements and programs to further the objectives of this Act.

(b) No act or omission to act pursuant to this Act which occurs while this Act is in effect, if requested by the President pursuant to a voluntary agreement or program approved under subsection (a) and found by the President to be in the public interest as contributing to the national defense shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States: *Provided, however,* That after the enactment of the Defense Production Act Amendments of 1955, the exemption from the prohibitions of the antitrust laws and the Federal Trade Commission Act of the United States shall apply only (1) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to duly approved voluntary agreements or programs relating solely to the exchange between actual or prospective contractors of technical or

other information, production techniques, and patents or patent rights, relating to equipment used primarily by or for the military which is being procured by the Department of Defense or any department thereof, and the exchange of materials, equipment, and personnel to be used in the production of such equipment; and (2) to acts and omissions to act requested by the President or his duly authorized delegate pursuant to voluntary agreements or programs which were duly approved under this section before the enactment of the Defense Production Act Amendments of 1955. The Attorney General shall review each of the voluntary agreements and programs covered by this section, and the activities being carried on thereunder, and, if he finds, after such review and after consultation with the Director of the Office of Defense Mobilization and other interested agencies, that the adverse effects of any such agreement or program on the competitive free enterprise system outweigh the benefits of the agreement or program to the national defense, he shall withdraw his approval in accordance with subsection (d) of this section. This review and determination shall be made within ninety days after the enactment of the Defense Production Act Amendments of 1955. A copy of each such request intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General and the Chairman of the Federal Trade Commission when made, and it shall be published in the Federal Register unless publication thereof would, in the opinion of the President, endanger the national security.

(c) The authority granted in subsection (b) shall be delegated only (1) to officials who shall for the purpose of such delegation be required to be appointed by the President by and with the advice and consent of the Senate, unless otherwise required to be so appointed, and (2) upon the condition that such officials consult with the Attorney General and with the Chairman of the Federal Trade Commission not less than ten days before making any request or finding thereunder, and (3) upon the condition that such officials obtain the approval of the Attorney General to any request thereunder before making the request. For the purpose of carrying out the objectives of title I of this Act, the authority granted in subsection (b) of this section shall not be delegated except to a single official of the Government.

(d) Upon withdrawal of any request or finding made hereunder, or upon withdrawal by the Attorney General of his approval of the voluntary agreement or program on which the request or finding is based, the provisions of this section shall not apply to any subsequent act or omission to act by reason of such finding or request.

(e) The Attorney General is directed to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this Act. Such surveys shall include studies of the voluntary agreements and programs authorized by this section. The Attorney

General shall submit to the Congress and the President at least once every three months reports setting forth the results of such studies of voluntary agreements and programs authorized by this section.

(f) After the date of enactment of the Defense Production Act Amendments of 1952,[1] no voluntary program or agreement for the control of credit shall be approved or carried out under this section.

SEC. 709. The functions exercised under this Act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237) except as to the requirements of section 3 thereof. Any rule, regulation, or order, or amendment thereto, issued under authority of this Act shall be accompanied by a statement that in the formulation thereof there has been consultation with industry representatives, including trade association representatives, and that consideration has been given to their recommendations, or that special circumstances have rendered such consultation impracticable or contrary to the interest of the national defense, but no such rule, regulation, or order shall be invalid by reason of any subsequent finding by judicial or other authority that such a statement is inaccurate.

SEC. 710. (a) The President, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, is authorized to place positions and employ persons temporarily in grades 16, 17, and 18 of the General Schedule established by the Classification Act of 1949, and such positions shall be additional to the number authorized by section 505 of that Act. [Repealed] [2]

(b) (1) The President is further authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act, and subject to such regulations as he may issue, to employ persons of outstanding experience and ability without compensation;

(2) The President shall be guided in the exercise of the authority provided in this subsection by the following policies:

(i) So far as possible, operations under the Act shall be carried on by full-time, salaried employees of the Government, and appointments under this authority shall be to advisory or consultative positions only.

(ii) Appointments to positions other than advisory or consultative may be made under this authority only when the requirements of the position are such that the incumbent must personally possess outstanding experience and ability not obtainable on a full-time, salaried basis.

(iii) In the appointment of personnel and in assignment of their duties, the head of the department or agency involved shall take steps to avoid, to as great an extent as possible, any conflict between the governmental duties and the private interests of such personnel.

(3) Appointees under this subsection (b) shall, when policy matters are involved, be limited to advising appropriate full-time salaried Government officials who are responsible for making policy decisions.

(4) Any person employed under this subsection (b) is hereby exempted, with respect to such employment, from the operation of sec-

[1] June 30, 1952.
[2] Sec. 710(a) repealed by sec. 12(c) of Public Law 94, 84th Congress, approved June 28, 1955, 69 Stat. 172, 180.

tions 281, 283, 284, 434, and 1914 of title 18, United States Code, and section 190 of the Revised Statutes (5 U. S. C. 99), except that—

(i) exemption hereunder shall not extend to the negotiation or execution, by such appointee, of Government contracts with the private employer of such appointee or with any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

(ii) exemption hereunder shall not extend to making any recommendation or taking any action with respect to individual applications to the Government for relief or assistance, on appeal or otherwise, made by the private employer of the appointee or by any corporation, joint stock company, association, firm, partnership, or other entity in the pecuniary profits or contracts of which the appointee has any direct or indirect interest;

(iii) exemption hereunder shall not extend to the prosecution by the appointee, or participation by the appointee in any fashion in the prosecution, of any claims against the Government involving any matter concerning which the appointee had any responsibility during his employment under this subsection, during the period of such employment and the further period of two years after the termination of such employment; and

(iv) exemption hereunder shall not extend to the receipt or payment of salary in connection with the appointee's Government service hereunder from any source other than the private employer of the appointee at the time of his appointment hereunder.

(5) Appointments under this subsection (b) shall be supported by written certification by the head of the employing department or agency—

(i) that the appointment is necessary and appropriate in order to carry out the provisions of the Act;

(ii) that the duties of the position to which the appointment is being made require outstanding experience and ability;

(iii) that the appointee has the outstanding experience and ability required by the position; and

(iv) that the department or agency head has been unable to obtain a person with the qualifications necessary for the position on a full-time, salaried basis.

(6) The heads of the departments or agencies making appointments under this subsection (b) shall file with the Division of the Federal Register for publication in the Federal Register a statement including the name of the appointee, the employing department or agency, the title of his position, and the name of his private employer, and the appointee shall file with such Division for publication in the Federal Register a statement listing the names of any corporations of which he is an officer or director or within sixty days preceding his appointment has been an officer or director, or in which he owns, or within sixty days preceding his appointment has owned, any stocks, bonds, or other financial interests, and the names of any partnerships in which

he is, or was within sixty days preceding his appointment, a partner, and the names of any other businesses in which he owns, or within such sixty-day period has owned, any similar interest. At the end of each succeeding six-month period, the appointee shall file with such Division for publication in the Federal Register a statement showing any changes in such interests during such period.

(7) At least once every three months the Chairman of the United States Civil Service Commission shall survey appointments made under this subsection and shall report his findings to the President and the Joint Committee on Defense Production and make such recommendations as he may deem proper.

(8) Persons appointed under the authority of this subsection may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment.

(c) The President is authorized, to the extent he deems it necessary and appropriate in order to carry out the provisions of this Act to employ experts and consultants or organizations thereof, as authorized by section 55a of title 5 of the United States Code. Individuals so employed may be compensated at rates not in excess of $50 per diem and while away from their homes or regular places of business they may be allowed transportation and not to exceed $15 per diem in lieu of subsistence and other expenses while so employed. The President is authorized to provide by regulation for the exemption of such persons from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

(d) The President may utilize the services of Federal, State, and local agencies and may utilize and establish such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed; and he is authorized to provide by regulation for the exemption of persons whose services are utilized under this subsection from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

(e) The President is further authorized to provide for the establishment and training of a nucleus executive reserve for employment in executive positions in Government during periods of emergency. Members of this executive reserve who are not full-time Government employees may be allowed transportation and not to exceed $15 per diem in lieu of subsistence while away from their homes or regular places of business for the purpose of participating in the executive reserve training program. The President is authorized to provide by regulation for the exemption of such persons who are not full-time Government employees from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

(f) Whoever, being an officer or employee of the United States or any department or agency thereof (including any Member of the Senate or House of Representatives), receives, by virtue of his office or employ-

ment, confidential information, and (1) uses such information in speculating directly or indirectly on any commodity exchange, or (2) discloses such information for the purpose of aiding any other person so to speculate, shall be fined not more than $10,000 or imprisoned not more than one year, or both. As used in this section, the term "speculate" shall not include a legitimate hedging transaction, or a purchase or sale which is accompanied by actual delivery of the commodity.

(g) The President, when he deems such action necessary, may make provision for the printing and distribution of reports, in such number and in such manner as he deems appropriate, concerning the actions taken to carry out the objectives of this Act.

SEC. 711. There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of this Act by the President and such agencies as he may designate or create. Funds made available for the purposes of this Act may be allocated or transferred for any of the purposes of this Act, with the approval of the Bureau of the Budget, to any agency designated to assist in acrrying out this Act. Funds so allocated or transferred shall remain available for such period as may be specified in the Acts making such funds available.

* * *

SEC. 713. The provisions of this Act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

* * *

SEC. 715. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

* * *

SEC. 717. (a) Title I (except section 104), title III, and title VII (except section 714) of this Act, and all authority conferred thereunder, shall terminate at the close of June 30, 1966.[1] Section 714 of this Act, and all authority conferred thereunder, shall terminate at the close of July 31, 1953. Section 104, title II, and title VI of this Act, and all authority conferred thereunder, shall terminate at the close of June 30, 1953. Titles IV and V of this Act, and all authority conferred thereunder, shall terminate at the close of April 30, 1953.

(b) Notwithstanding the foregoing—

(1) The Congress by concurrent resolution or the President by proclamation may terminate this Act prior to the termination otherwise provided therefor.

(2) The Congress may also provide by concurrent resolution that any section of this Act and all authority conferred thereunder shall terminate prior to the termination otherwise provided therefor.

[1] Public Law 88-343, approved June 30, 1964, 78 Stat. 235, extended the termination date as indicated in the text. The prior termination date was June 30, 1964.

(3) Any agency created under this Act may be continued in existence for purposes of liquidation for not to exceed six months after the termination of the provision authorizing the creation of such agency.

(c) The termination of any section of this Act, or of any agency or corporation utilized under this Act, shall not affect the disbursement of funds under, or the carrying out of, any contract, guarantee, commitment or other obligation entered into pursuant to this Act prior to the date of such termination, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying on operations under this Act. * * *

Notwithstanding any other provision of this Act, the termination of title VI or any section thereof shall not be construed as affecting any obligation, condition, liability, or restriction arising out of any agreement heretofore entered into pursuant to, or under the authority of, section 602 or section 605 of this Act, or any issuance thereunder, by any person or corporation and the Federal Government or any agency thereof relating to the provision of housing for defense workers or military personnel in an area designated as a critical defense housing area pursuant to law.[1]

* * *

Approved September 8, 1950.

[1] This paragraph added by sec. 20 of the Housing Amendments of 1953, Public Law 94, 83d Congress, approved June 30, 1953, 67 Stat. 121, 126.

20. Defense Mobilization Activities

1. Control of Real Estate Credit

## 2. DELEGATION OF PRESIDENT'S FUNCTIONS

[Excerpts from Executive Order 10161, as amended;[1] 15 Fed. Reg. 6105 (1950); 50 App. U.S.C. 2071, Note (1946 ed. Supp. IV)]

Delegating certain functions of the President under the Defense Production Act of 1950

By virtue of the authority vested in me by the Constitution and statutes, including the Defense Production Act of 1950, and as President of the United States and Commander in Chief of the armed forces, it is hereby ordered as follows:

### PART I. PRIORITIES AND ALLOCATIONS [1]

* * *

### PART V. REAL ESTATE CREDIT [2]

SECTION 501. (a) Subject to the provisions of section 501(b) of this Executive Order, the functions conferred upon the President by section 602 of the Defense Production Act of 1950 are hereby delegated to the Board of Governors of the Federal Reserve System.

(b) The said Board shall obtain the concurrence of the Housing and Home Finance Administrator with respect to provisions relating to real estate construction credit involving residential property before prescribing, changing, or suspending any real estate construction credit regulation pursuant to the authority of section 602 of the Defense Production Act of 1950.

SECTION 502. (a) The functions conferred upon the President by section 605 of the Defense Production Act of 1950, to the extent that such functions relate to loans on real estate involving residential property, are hereby delegated to the Housing and Home Finance Administrator.

(b) In carrying out the functions delegated by section 502(a) of this Executive order, and under the authority so delegated or under authority vested in him by any applicable law, the Administrator shall from time to time issue such regulations and take such other action as may be necessary to insure (1) that the restrictions imposed on real estate construction credit by the provisions of the regulations issued from time to time by the Board of Governors of the Federal Reserve System (with the concurrence of the Housing and Home Finance Administra-

[1] Executive Order 10161 was revoked by Executive Order 10480, issued August 14, 1953, 18 Fed. Reg. 4939.

[2] See also Paragraph 3 of Executive Order 10296, 9-2-2, which designates the Housing and Home Finance Administrator to perform functions vested in the President by section 102(b) of the Defense Housing and Community Facilities and Services Act of 1951, 9-2-1.1, relative to the suspension and relaxation of residential credit restrictions under the Defense Production Act of 1950, as amended, 20-1.1.

tor in the provisions of such regulations relating to credit involving residential property) under the authority delegated by section 501 of this Executive order shall be applicable to the fullest extent practicable with respect to loans on real estate (of the types referred to in section 605 of the Defense Production Act of 1950) involving residential property, and (2) that the relative credit preferences accorded to veterans under existing law are preserved in accordance with the provisions of section 605 of the Defense Production Act of 1950.

SEC. 503.[1] (a) Except as otherwise provided in section 503 (b) of this Executive order, the functions conferred upon the President by section 607 of the Defense Production Act of 1950, as amended, are hereby delegated to the Board of Governors of the Federal Reserve System. The Board shall perform the functions delegated by this subsection subject to the concurrence of the Housing and Home Finance Administrator and upon the basis of estimates made pursuant to section 503 (b) of this Executive order.

(b) The Secretary of Labor shall, pursuant to section 607 of the Defense Production Act of 1950, as amended, make estimates of the number of permanent, non-farm, family dwelling units the construction of which has been started during each calendar month, and, on the basis of such estimates, make estimates of the annual rate of construction starts during each such month, after making reasonable allowance for seasonal variations in the rate of construction. The Secretary shall transmit the said estimates to the Board of Governors of the Federal Reserve System.

(c) The concurrence of the Housing and Home Finance Administrator specified in section 501 (b) of this Executive order shall not be necessary to the prescribing, changing, or suspending of the provisions of any regulation of the Board of Governors of the Federal Reserve System issued pursuant to section 501 hereof with respect to extensions of credit during any "period of residential credit control relaxation" announced pursuant to the said section 607, and the requirements of section 502 (b) hereof shall not be applicable during any such period.

* * *

## PART VIII. COORDINATION

SEC. 801. In the interest of consistent and coordinated administration of functions delegated by this Executive order, each officer to whom functions are delegated shall be guided by such policies and program directives as the President may from time to time prescribe.

SEC. 802.[2] All functions delegated or assigned by or pursuant to

[1] Sec. 503 was added by Executive Order 10373, issued July 14, 1952, 17 F.R. 6425 (1952).

[2] As originally issued sec. 802 placed coordinating powers in the Chairman of the National Security Resources Board, Executive Order 10193, issued December 16, 1950, 15 F.R. 9031, established the Office of Defense Mobilization headed by the Director of Defense Mobilization. Section 3 of Executive Order 10193 provided that all functions delegated by Executive Order 10161 shall be performed by the respective officers concerned, subject to the direction and control of the Director. Sec. 5 of Executive Order 10200, issued January 3, 1951, 16 F.R. 61, revoked section 802. Sec. 401 of Executive Order 10281, issued August 28, 1951, 16 F.R. 8789, inserted section 802 as set forth in the text.

this Executive order, or by or pursuant to any other Executive order provision amendatory or supplementary to this Executive order, including any such provision in an Executive order hereafter promulgated, shall be performed, by the respective officers and agencies concerned, subject to the direction, control, and coordination of the Director of Defense Mobilization.[1]

SEC. 803. The Council of Economic Advisers shall adapt its continuing studies of employment, production and purchasing power needs and objectives so as to furnish guides to the agencies under this Executive order in promoting balance between defense and civilian needs and in avoiding inflation in a stable and growing economy. In the performance of this function, the Council shall obtain necessary information from the agencies concerned and engage in regular consultation with them.

## PART IX. GENERAL PROVISIONS

SECTION 901. As used in this Executive order:

(a) The term "functions" includes powers, duties, authority, responsibilities, and discretion.

* * *

(l) [2] The term "Defense Production Act of 1950" includes, except as may be inappropriate, the Defense Production Act of 1950, as amended.

SECTION 902. [3] (a) Except as otherwise provided in section 902(c) of this Executive order, each officer or agency having functions under the Defense Production Act of 1950 delegated or assigned thereto by this Executive order may exercise and perform, with respect to such functions, the functions vested in the President by Title VII of the said Act.

(b) The functions which may be exercised and performed pursuant to the authority of section 902(a) of this Executive order shall include, but not by way of limitation, (1) except as otherwise provided in section 701(c) of this Executive order, and except as otherwise required by section 403 of the Defense Production Act of 1950, the power to redelegate functions, and to authorize the successive redelegation of functions, to agencies, officers, and employees of the Government, (2) the power to create an agency or agencies, under the jurisdiction of the officer concerned, to administer functions delegated by this Executive order, and (3) in respect of Parts I, II, IV, and V of this Executive order, the power of subpoena: *Provided,* That the subpoena power shall be utilized only after the scope and purpose of the investigation, inspection, or inquiry to which the subpoena relates have been defined either by the appropriate officer referred to in section 902(a) of this Executive order or by such other person or persons as he shall designate.

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[1] See also 20-2.2.

[2] Paragraph (1) was added by sec. 402 of Executive Order 10281, issued August 28, 1951, 16 F.R. 8789.

[3] Sec. 2(d) of Executive Order 10200, issued January 3, 1951, 16 Fed. Reg. 61, made the provisions of sections 902 and 903 (including those with respect to subpoena) applicable to the Defense Production Administrator.

(c) There are excluded from the functions delegated by section 902(a) of this Executive order (1) the functions delegated by Part VII of this Executive order, (2) the functions of the President under sections 703(b) and 710(a) of the Defense Production Act of 1950, (3) the functions of the President with respect to regulations under sections 710(b), 710(c), and 710(d) of the said Act, and (4) the functions of the President with respect to fixing compensation under section 703(a) of the said Act.

(d) The functions conferred upon the President by section 710(a) of the Defense Production Act of 1950 are hereby delegated as follows:

(1)[1] Each officer or agency having functions under the said Act delegated or assigned to such officer or agency by or pursuant to this Executive order shall submit to the Chairman of the United States Civil Service Commission such requests for classification of positions in grades 16, 17, and 18 of the General Schedule as may be necessary, and shall accompany any such request with a certificate stating that the duties of the position are essential and appropriate for the administration of the said Act.

(2) Each requested position shall be placed in the appropriate grade of the General Schedule in accordance with the standards and procedures of the Classification Act of 1949. No person shall be employed in a position of grade 16, 17, or 18 under authority of section 710(a) of the Defense Production Act of 1950 except pursuant to notice of the Chairman of the United States Civil Service Commission of the classification of the position.

SECTION 903.[2] All agencies of the Government (including departments, establishments, and corporations) shall furnish to each officer to whom functions are delegated or assigned by this Executive order such information relating to defense production or procurement, or otherwise relating to the functions delegated or assigned to such officer by this Executive order, as he may deem necessary.

• • •

HARRY S. TRUMAN

THE WHITE HOUSE,
*September 9, 1950.*

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[1] Section 902(d)(1) originally read as follows:

"(1) Each officer or agency having functions under the said Act delegated or assigned to such officer or agency by this Executive order shall submit to the Chairman of the United States Civil Service Commission such requests for classification of positions in grades 16, 17, and 18 of the General Schedule as may be necessary, and shall accompany any such request with a certificate stating that the duties of the position are essential and appropriate for the administration of the said Act."

[2] Sec. 2(d) of Executive Order 10200, issued January 3, 1951, 16 F.R. 61, made the provisions of sections 902 and 903 (including those with respect to subpoena) applicable to the Defense Production Administrator.

20. Defense Mobilization Activities

2. Priorities and Allocations[1]

# 1. AUTHORIZATION

[Excerpts from the Defense Production Act of 1950 As amended; Public Law 774, 81st Congress, 64 Stat. 798; 50 U.S.C. App. 2061, 2071]

* * *

## TITLE I—PRIORITIES AND ALLOCATIONS

SEC. 101. (a) The President is hereby authorized (1) to require that performance under contracts or orders (other than contracts of employment) which he deems necessary or appropriate to promote the national defense shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or orders in preference to other contracts or orders by any person he finds to be capable of their performance, and (2) to allocate materials and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the national defense.

(b)[1] The powers granted in this section shall not be used to control the general distribution of any material in the civilian market unless the President finds (1) that such material is a scarce and critical material essential to the national defense, and (2) that the requirements of the national defense for such material cannot otherwise be met without creating a significant dislocation of the normal distribution of such material in the civilian market to such a degree as to create appreciable hardship.

SEC. 102. In order to prevent hoarding, no person shall accumulate (1) in excess of the reasonable demands of business, personal, or home consumption, or (2) for the purpose of resale at prices in excess of prevailing market prices, materials which have been designated by the President as scarce materials or materials the supply of which would be threatened by such accumulation. The President shall order published in the Federal Register, and in such other manner as he may deem appropriate, every designation of materials the accumulation of which is unlawful and any withdrawal of such designation. In making such designations the President may prescribe such conditions with respect to the accumulation of materials in excess of the reasonable demands of business, personal, or home consumption as he deems necessary to carry out the objectives of this Act. This section shall not be construed to limit the authority contained in sections 101 and 704 of this Act.

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[1] Subsection (b) was amended to read as set forth in the text by the Defense Production Act Amendments of 1953, Public Law 95, 83d Congress, approved June 30, 1953, 67 Stat. 129.

SEC. 103. Any person who willfully performs any act prohibited, or willfully fails to perform any act required, by the provisions of this title or any rule, regulation, or order thereunder, shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than one year, or both.

* * *

## TITLE VII—GENERAL PROVISIONS [1]

SEC. 701. (a) It is the sense of the Congress that small-business enterprises be encouraged to make the greatest possible contribution toward achieving the objectives of this Act.

* * *

(c)[2] Whenever the President invokes the powers given him in this Act to allocate any material in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period preceding any future allocation of materials: *Provided,* That the President shall, in the allocation of materials in the civilian market, give due consideration to the needs of new concerns and newly acquired operations, undue hardships of individual businesses, and the needs of smaller concerns in an industry.

* * *

Approved September 8, 1950

[1] See 20-1.1, title VII of the Defense Production Act, for the termination dates of the provisions of the Act, definitions of terms, and additional General Provisions which may be relevant to title 1.

[2] Subsection (c) amended to read as set forth in the text by section 4 of the Defense Production Act Amendments of 1955, Public Law 295, 84th Congress, approved August 9, 1955, 69 Stat. 580.

**20. Defense Mobilization Activities**

**3. Defense Mobilization**

## 1. PRESCRIBING RESPONSIBILITIES OF THE OFFICE OF EMERGENCY PLANNING IN THE EXECUTIVE OFFICE OF THE PRESIDENT

**[Executive Order 11051, 27 Fed. Reg. 9683]**

WHEREAS national preparedness must be achieved and maintained to support such varying degrees of mobilization as may be required to deal with increases in international tension, with limited war, or with general war including attack upon the United States; and

WHEREAS the national security and our continuing economic growth and prosperity are interdependent, appropriate attention must be directed to effective coordination of emergency preparedness measures with national economic policies and objectives; and

WHEREAS mobilization readiness and civil defense activities can be accomplished most effectively and efficiently through the performance by departments and agencies of the Government of those emergency preparedness functions related to their established roles and capabilities; and

WHEREAS responsibility for emergency preparedness involves virtually every agency of the Federal Government, and there is need to provide a central point of leadership and coordination in the Executive Office of the President:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, including the authorities contained in the National Security Act of 1947, the Defense Production Act of 1950 (50 U.S.C. App. 2061 et seq.), the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251 et seq.), and other authorities of law vested in me pursuant to Reorganization Plan No. 1 of 1958 (72 Stat. 1799), and also including the authority vested in me by the provisions of Section 301 of title 3 of the United States Code, it is hereby ordered as follows:

### PART I. SCOPE

SECTION 101. *Resumé of responsibilities.* The Director of the Office of Emergency Planning (hereinafter referred to as the Director) shall:

(a) Advise and assist the President in the coordination of and in the determination of policy for the emergency plans and preparedness assignments of the Federal departments and agencies (hereinafter referred to as Federal agencies) designed to make possible at Federal, State and local levels the mobilization of the human, natural and industrial resources of the nation to meet all conditions of national emergency, including attack on the United States.

(b) Under the direction of thePresident, be responsible for the preparation of nonmilitary plans and preparedness programs with respect to organization and functioning of the Federal Government under emergency conditions and with respect to specific areas of Federal

activity necessary in time of war which are neither performed in the normal operations of the regular departments and agencies nor assigned thereto by or under the authority of the President.

(c) Perform such other functions as are vested in him by law or are by this order, or by orders referred to in this order, delegated or otherwise assigned to him.

(d) Perform such additional functions as the President may from time to time direct.

## Part II. General Coordinating Responsibilities

Sec. 201. *General.* (a) The Director shall advise and assist the President in (1) the development of planning assumptions and broad emergency preparedness objectives with respect to various conditions of national emergency, (2) the development of policies and procedures to determine the relationship between available supplies of the nation's resources and the requirements of military, foreign, and essential civilian programs, including those of civil defense, (3) the development of policies, programs, and control systems designed to deal with supply deficiencies and to meet effectively the most urgent requirements for those resources in the interests of national defense, and (4) coordinating the governmental programs designed to achieve these ends.

(b) The Director shall advise and assist the President with respect to resolving any issues, related to emergency preparedness responsibilities of Federal agencies, which arise between two or more such agencies.

Sec. 202. *Resources and Requirements.* The Director shall provide policy guidance to the heads of Federal agencies having resource mobilization or claimancy responsibilities to assist them in (1) the development and submission of estimated military and foreign as well as industrial and consumer requirements, (2) the development of resource supply estimates; and (3) the periodic evaluation of requirements estimates in relation to estimates of availability of resources from all sources.

Sec. 203. *Central program determination.* The Director shall develop an overall emergency system for reaching central program decisions for the utilization of resources on the basis that he will have the responsibility for making such central decisions in the initial period of an emergency. This system shall include uniform criteria and procedures for:

(a) The development by each Federal agency of the amounts and types of resources which it must claim in order to meet the requirements of its planned programs;

(b) The central consideration of the supply-requirements evaluations of planned programs;

(c) The central determination of major resource utilization programs under varied conditions of national emergency on a relative urgency

basis and central direction for the adjustment of agency programs consistent with such determinations; and

(d) The decentralization of controls if required by emergency conditions.

SEC. 204. *Control systems.* The Director shall develop policies and procedures for the coordinated application by Federal agencies, in time of emergency, of priorities, allocations, and other resource control and distribution systems (including a system for the rationing of consumer goods) for the conduct of approved major programs.

SEC. 205. *Research.* The Director shall develop, maintain, and conduct a central research planning program for emergency preparedness purposes. The Director shall maintain, with the participation and support of Federal agencies concerned, a national resources evaluation capability for predicting and monitoring the status of resources under all degrees of emergency, for identifying resource deficiencies and feasible production programs and for supplying resource evaluations at national and subordinate levels to support mobilization base planning, continuity of government, resource management and economic recovery.

SEC. 206. *Dispersal and protection of facilities.* (a) The Director, after consultation with the appropriate Federal agencies, shall advise the President concerning the strategic relocation of industries, services, government and economic activities, the operations of which are essential to the nation's security. He shall coordinate the efforts of Federal agencies with respect to the application of the principle of geographic dispersal of certain industrial facilities, both government- and privately-owned, in the interest of national defense.

(b) The Director, under authority of, and in accordance with the provisions of, Executive Order No. 10421 of December 31, 1952, shall perform functions in respect of the physical security of facilities important to the national defense.

(c) In addition, the Director shall review all measures being taken by the Federal agencies with respect to the physical security and protection of facilities important to defense mobilization, defense production, civil defense or the essential civilian economy, including those under the provisions of emergency preparedness assignments to such agencies and shall recommend to the President such actions as are necessary to strengthen such measures.

SEC. 207. *Civil defense.* (a) Under authority of the provisions of Section 2 of Executive Order No. 10952 of July 20, 1961, and as there prescribed, the Director shall advise and assist the President, and shall perform other functions, in respect of civil defense.

(b) Under authority of, and in accordance with the provisions of, Executive Order No. 10958 of August 14, 1961, the Director shall advise and assist the President with respect to the stockpiling of food and medical supplies.

(c) The Director shall advise and assist the President with respect to the need for stockpiling various items essential to the survival of the

population, additional to food and medical supplies, and with respect to programs for the acquisition, storage, and maintenance of such stockpiles.

SEC. 208. *Federal-State relations.* (a) The Director shall represent the President in working with State Governors to stimulate vigorous State and local participation in emergency preparedness measures.

(b) He shall provide advice and guidance to the States with regard to preparations for the continuity of State and local civilian political authority in the event of nuclear attack on the United States which shall include, but not be limited to, programs for maintaining lines of succession to office, safekeeping of essential records, provision for alternate sites of government, the protection and effective use of government resources, personnel, and facilities, and interstate compacts and reciprocal legislation relating to emergency preparedness.

(c) He shall assist the President in achieving a coordinated working relationship between the various elements of State governments and the Federal agencies to which specific emergency preparedness functions have been assigned pursuant to statute or Executive order.

(d) The civil defense activities involved in the functions prescribed by the foregoing provisions of this section shall be carried out in accordance with the provisions of Section 2 of Executive Order No. 10952 of July 20, 1961.

SEC. 209. *Review and evaluation.* The Director shall from time to time furnish the President overall reports and recommendations concerning the emergency preparedness programs, including the state of preparedness of Federal, State, and local governments to carry out their emergency functions.

## PART III. SPECIAL EMERGENCY PLANNING RESPONSIBILITIES

SEC. 301. *General.* Under the direction of the President, the Director shall have primary responsibility (1) for planning assumptions and broad nonmilitary emergency preparedness objectives, (2) for planning the nonmilitary organization and functioning of the Federal Government in time of national emergency, (3) for developing, in association with interested agencies, the emergency planning, including making recommendations to the President as to the appropriate roles of Federal agencies, in currently unassigned matters, such as, but not necessarily limited to, economic stabilization, economic warfare, emergency information, and wartime censorship, (4) for planning for the emergency mobilization of telecommunications resources, and (5) for the development of nonmilitary policies and programs for use in the event of enemy attack on the United States designed to restore the national defense potential of the nation.

SEC. 302. *Emergency organization.* The Director, in consultation with the Director of the Bureau of the Budget, shall plan for the organization and functioning of the Federal Government in an emergency, including provisions for the central direction of all emergency

mobilization activities and the creation of such emergency agencies as may be required for the conduct of emergency activities including those within the normal jurisdiction of existing agencies. Plans shall provide for maximum practicable reliance to be placed on existing Federal agencies with competence in emergency operations and, as best may be, shall be harmonious with related operations of the Government as a whole.

SEC. 303. *Emergency authorities.* The Director shall provide for the prompt exercise of Federal emergency authority through the advance preparation of such proposed legislation, Executive orders, rules, regulations, and directives as would be necessary to put into effect operating programs appropriate to the emergency situation.

SEC. 304. *Continuity of Federal Government.* The Director shall develop policies and plans to assure the continuity of essential Federal Government activities through programs to provide for lines of succession to office, safekeeping of essential records, alternate sites for Government operations, and the protection and effective use of Government resources, personnel, and facilities.

SEC. 305. *Executive Reserve.* The Director, under authority of, and in accordance with the provisions of, Executive Order No. 10660 of February 15, 1956, shall develop policies and plans for the provision of an Executive Reserve of personnel capable of filling executive positions in the Government in time of emergency.

SEC. 306. *Emergency telecommunications.* The Director shall be responsible for (1) planning for the mobilization of the nation's telecommunications resources in time of national emergency, and (2) carrying out, under the authority of, and in accordance with the provisions of, Executive Order No. 10705 of April 17, 1957, the functions thereby delegated or otherwise assigned to him.

SEC. 307. *Post-attack recovery.* Under the direction of the President, the Director, with the cooperation and assistance of the Federal agencies, shall develop policies, plans, and programs designed to provide for the rapid restoration after an attack on the United States of a national capability to support a strong national defense effort.

## PART IV. CURRENT MANAGEMENT RESPONSIBILITIES

SEC. 401. *Defense production.* Under the authority of, and in accordance with the provisions of, Executive Order No. 10480 of August 14, 1953, the Director shall perform the functions thereby delegated or otherwise assigned to him.

SEC. 402. *Strategic and critical materials stockpiling.* (a) There are hereby delegated to the Director all those functions under the Strategic and Critical Materials Stockpiling Act (50 U.S.C. 98 et seq.), under Section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h), and under Section 204(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(f)),

which were transferred to the President by the provisions of Reorganization Plan No. 1 of 1958 (72 Stat. 1799).

(b) The Director, under the provisions of the said Strategic and Critical Materials Stockpiling Act, shall determine which materials are strategic and critical and the quality and quantity of such materials which shall be stockpiled, and shall direct the General Services Administration in the purchase, storage, refinement, rotation, and disposal of materials.

(c) The Director is hereby designated as an agency under and for the purposes of the provisions of clause (b) of Section 5 of the Strategic and Critical Materials Stockpiling Act (50 U.S.C. 98d (clause (b))); and, accordingly, in the event of enemy attack upon the United States the Director is authorized and directed to order the release by the Administrator of General Services of such materials from stockpiles established under the said Act, in such quantities, for such uses, and on such terms and conditions, as the Director determines to be necessary in the interests of the national defense.

SEC. 403. *Supplemental stockpile.* The Director, under authority of the provisions of Section 4(d)(2) of Executive Order No. 10900 of January 6, 1961, shall determine from time to time the materials to be contracted for or purchased for a supplemental stockpile with foreign currencies pursuant to the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704 (b)).

SEC. 404. *Imports threatening the national security.* (a) The Director, under the authority of, and in accordance with the provisions of, Section 2 of the Act of July 1, 1954 (68 Stat. 360; 19 U.S.C. 1352a), shall make appropriate investigations of the effects of imports on the national security and shall advise the President of any case in which the Director is of the opinion that an article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security.

(b) The Director, under authority of, and in accordance with the provisions of, Section 3(d) of Executive Order No. 10582 of December 17, 1954, shall furnish advice to procuring agencies with respect to the rejection of bids or offers to furnish materials of foreign origin on the ground that such rejection is necessary to protect essential national security interests.

SEC. 405. *Disaster relief.* The Director, under authority of, and in accordance with the provisions of, Executive Order No. 10427 of January 16, 1953, and Executive Order No. 10737 of October 29, 1957, shall exercise authority under the Act of September 30, 1950, entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes" (42 U.S.C. 1855 et seq.).

SEC. 406. *Telecommunications.* Under authority of, and in accordance with the provisions of, Executive Order No. 10995 of February 16,

1962, the Director shall perform functions in respect of telecommunications.

PART V. GENERAL PROVISIONS

SEC. 501. *Rules and regulations.* In carrying out his responsibilities under this order, the Director is authorized to issue such rules and regulations, and directives, consonant with law and Executive order, as he deems necessary and appropriate to the functions involved.

SEC. 502. *Boards and committees.* The Director is hereby authorized to establish in headquarters and in the field such boards and committees as he deems necessary to advise him in the conduct of activities outlined herein.

SEC. 503. *Certain additional authorities.* (a) There are hereby delegated to the Director all those now-existing functions under the National Security Act of 1947 which were transferred to the President by the provisions of Reorganization Plan No. 1 of 1958 (72 Stat. 1799).

(b) In performing the functions under the Federal Civil Defense Act of 1950 assigned to him, and subject to applicable provisions of Executive orders, the Director is authorized to exercise the authority conferred by Title IV of that Act. The foregoing provision of this subsection shall not be deemed to derogate from any authority under Title IV heretofore available to the Secretary of Defense.

SEC. 504. *Reports.* The Director is authorized to require from Federal agencies such statistical data and progress reports at such intervals as he deems necessary to discharge his responsibilities under this order.

SEC. 505. *Prior actions.* All orders, regulations, rulings, certificates, directives, and other actions relating to any function affected by this order shall remain in effect except as they are inconsistent herewith or are hereafter amended or revoked under proper authority, and nothing in this order shall affect the validity or force of anything done under previous delegations or other assignments of the functions affected by this order.

SEC. 506. *Executive Order 11030.* Nothing in this order or in any order amended by this order shall derogate from the provisions of Executive Order No. 11030 of June 19, 1962.

SEC. 507. *References to orders and Acts.* Except as may for any reason be inappropriate, references in this order to any other Executive order or to any Act, and references in this order or in any other Executive order to this order, shall be deemed to include references thereto, respectively, as amended from time to time.

PART VI. PRIOR EXECUTIVE ORDERS AND PROCLAMATIONS

SEC. 601. *General amendments.* Each reference to the Office of Civil and Defense Mobilization or to the Director of the Office of Civil and Defense Mobilization in the following is hereby amended to refer to

the Office of Emergency Planning and the Director of the Office of Emergency Planning, respectively:

(1) Executive Order No. 10296 of October 2, 1951
(2) Executive Order No. 10312 of December 10, 1951
(3) Executive Order No. 10346 of April 17, 1952 (penultimate sentence of Section 2, only)
(4) Executive Order No. 10421 of December 31, 1952
(5) Executive Order No. 10427 of January 16, 1953
(6) Executive Order No. 10480 of August 14, 1953
(7) Executive Order No. 10494 of October 14, 1953
(8) Executive Order No. 10601 of March 21, 1955
(9) Executive Order No. 10634 of August 25, 1955
(10) Executive Order No. 10660 of February 15, 1956
(11) Executive Order No. 10705 of April 17, 1957
(12) Executive Order No. 10737 of October 29, 1957
(13) Executive Order No. 10900 of January 5, 1961
(14) Executive Order No. 10952 of July 20, 1961
(15) Executive Order No. 10958 of August 14, 1961
(16) Proclamation No. 3279 of March 10, 1959

SEC. 602. *Executive Order 10242.* Executive Order No. 10242 of May 8, 1951, is hereby amended:

(1) By deleting from subsection 101(a) thereof the following: "upon the Director of the Office of Civil and Defense Mobilization, hereinafter referred to as the Director,".

(2) By deleting from Sections 101(c), 101(d), 102, 103, 104, 106 (preamble), 201, and 301 the following: "upon the Director of the Office of Civil and Defense Mobilization".

(3) By substituting for the words "the Director of the Office of Civil and Defense Mobilization", at each place where they occur in the order and are not deleted or otherwise amended by this order, the following: "the delegate of the President".

(4) By substituting for the words "shall not be delegated" in subsection 101(d) the following: "shall not be redelegated by the delegate of the President".

(5) By adding after Section 106 new Sections 107, 108, and 109, reading as follows:

"SEC. 107. The words 'the delegate of the President' as used in this order:

"(1) In respect of functions under the Act delegated or otherwise assigned to the Secretary of Defense, mean the Secretary of Defense.

"(2) In respect of functions delegated or otherwise assigned to the Director of the Office of Emergency Planning, mean the Director of the Office of Emergency Planning.

"SEC. 108. The authority conferred by Section 401(a) of the Act to employ part-time or temporary advisory personnel deemed necessary in carrying out the provisions of the Act, and delegated by the

provisions of Section 101(a) of this order, shall be available as follows: (1) To the Secretary of Defense in respect of not to exceed eighty personnel (including not to exceed twenty subjects of the United Kingdom and Canada), and (2) to the Director of the Office of Emergency Planning in respect of not to exceed twenty personnel (including not to exceed five subjects of the United Kingdom and Canada).

"SEC. 109. The relevant provisions of this Part shall be subject to the provisions of the Memorandum of the President, pertaining to conflicts of interest, dated February 9, 1962 (27 F.R. 1341ff.)."

(6) By amending Section 401 to read as follows:

"SEC. 401. The approval of the President is hereby given for the employment of retired personnel of the armed services, pursuant to the provisions of subsection 401(a) of the Act as follows: (1) By the Secretary of Defense, not to exceed twenty persons, and (2) by the Director of the Office of Emergency Planning, not to exceed five persons."

SEC. 603. *Other orders.* (a) Executive Order No. 10260 of June 27, 1951, is hereby amended by striking from Section 1 thereof the following: "Office of Civil and Defense Mobilization, the".

(b) Executive Order No. 10346 of April 17, 1952, is hereby amended by substituting for the reference therein to the Director of the Office of Civil and Defense Mobilization, and for each reference therein to the Office and Defense Mobilization except that in the penultimate sentence of Section 2, the following: "the Office of Emergency Planning or the Department of Defense or both, as may be determined under the provisions of appropriate Executive orders".

(c) Executive Order No. 10421 of December 31, 1952, is hereby amended by inserting before the period at the end of Section 3(b)(9) thereof a comma and the following: "including recommendations as to actions necessary to strengthen the program provided for in this order".

(d) Executive Order No. 10529 of April 22, 1954, is hereby amended by substituting for each reference therein to the Director of the Office of Civil and Defense Mobilization the following: "the Director of the Office of Emergency Planning or the Secretary of Defense or both as may be determined under appropriate Executive orders".

(e) Executive Order No. 10582 of December 17, 1954, is hereby amended by striking from Section 3(d) thereof the words "from any officer of the Government designated by the President to furnish such advice" and by inserting in lieu of the stricken words the following: "from the Director of the Office of Emergency Planning. In providing this advice the Director shall be governed by the principle that exceptions under this section shall be made only upon a clear showing that the payment of a greater differential than the procedures of this section generally prescribe is justified by consideration of national security".

(f) Executive Order No. 10789 of November 14, 1958, is hereby amended by striking from Section 21 thereof the words "Office of Civil and Defense Mobilization".

SEC. 604. *Superseded orders.* To the extent that the following have not heretofore been made or become inapplicable, they are hereby superseded and revoked:

(1) Executive Order No. 9981 of July 26, 1948
(2) Executive Order No. 10219 of February 28, 1951
(3) Executive Order No. 10269 of July 6, 1951
(4) Executive Order No. 10438 of March 13, 1953
(5) Executive Order No. 10461 of June 17, 1953
(6) Executive Order No. 10524 of March 31, 1954
(7) Executive Order No. 10539 of June 22, 1954 (without prejudice to final liquidation of any affairs thereunder)
(8) Executive Order No. 10638 of October 10, 1955
(9) Executive Order No. 10773 of July 1, 1958
(10) Executive Order No. 10782 of September 6, 1958
(11) Executive Order No. 10902 of January 9, 1961

JOHN F. KENNEDY

THE WHITE HOUSE,

*September 27, 1962.*

20. Defense Mobilization Activities

3. Defense Mobilization

# 1. PRESCRIBING RESPONSIBILITIES OF THE OFFICE OF EMERGENCY PLANNING IN THE EXECUTIVE OFFICE OF THE PRESIDENT

[Executive Order 11051, 27 Fed. Reg. 9683]

WHEREAS national preparedness must be achieved and maintained to support such varying degrees of mobilization as may be required to deal with increases in international tension, with limited war, or with general war including attack upon the United States; and

WHEREAS the national security and our continuing economic growth and prosperity are interdependent, appropriate attention must be directed to effective coordination of emergency preparedness measures with national economic policies and objectives; and

WHEREAS mobilization readiness and civil defense activities can be accomplished most effectively and efficiently through the performance by departments and agencies of the Government of those emergency preparedness functions related to their established roles and capabilities; and

WHEREAS responsibility for emergency preparedness involves virtually every agency of the Federal Government, and there is need to provide a central point of leadership and coordination in the Executive Office of the President:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, including the authorities contained in the National Security Act of 1947, the Defense Production Act of 1950 [1] (50 U.S.C. App. 2061 et seq.), the Federal Civil Defense Act of 1950 [2] (50 U.S.C. App. 2251 et seq.), and other authorities of law vested in me pursuant to Reorganization Plan No. 1 of 1958 (72 Stat. 1799), and also including the authority vested in me by the provisions of Section 301 of title 3 of the United States Code, it is hereby ordered as follows:

## PART I. SCOPE

SECTION 101. *Resumé of responsibilities.* The Director of the Office of Emergency Planning (hereinafter referred to as the Director) shall:

(a) Advise and assist the President in the coordination of and in the determination of policy for the emergency plans and preparedness assignments of the Federal departments and agencies (hereinafter referred to as Federal agencies) designed to make possible at Federal, State and local levels the mobilization of the human, natural and industrial resources of the nation to meet all conditions of national emergency, including attack on the United States.

(b) Under the direction of thePresident, be responsible for the preparation of nonmilitary plans and preparedness programs with respect

[1] See 20-1.1.
[2] See 20-3.14.

to organization and functioning of the Federal Government under emergency conditions and with respect to specific areas of Federal activity necessary in time of war which are neither performed in the normal operations of the regular departments and agencies nor assigned thereto by or under the authority of the President.

(c) Perform such other functions as are vested in him by law or are by this order, or by orders referred to in this order, delegated or otherwise assigned to him.

(d) Perform such additional functions as the President may from time to time direct.

## Part II. General Coordinating Responsibilities

Sec. 201. *General.* (a) The Director shall advise and assist the President in (1) the development of planning assumptions and broad emergency preparedness objectives with respect to various conditions of national emergency, (2) the development of policies and procedures to determine the relationship between available supplies of the nation's resources and the requirements of military, foreign, and essential civilian programs, including those of civil defense, (3) the development of policies, programs, and control systems designed to deal with supply deficiencies and to meet effectively the most urgent requirements for those resources in the interests of national defense, and (4) coordinating the governmental programs designed to achieve these ends.

(b) The Director shall advise and assist the President with respect to resolving any issues, related to emergency preparedness responsibilities of Federal agencies, which arise between two or more such agencies.

Sec. 202. *Resources and Requirements.* The Director shall provide policy guidance to the heads of Federal agencies having resource mobilization or claimancy responsibilities to assist them in (1) the development and submission of estimated military and foreign as well as industrial and consumer requirements, (2) the development of resource supply estimates; and (3) the periodic evaluation of requirements estimates in relation to estimates of availability of resources from all sources.

Sec. 203. *Central program determination.* The Director shall develop an overall emergency system for reaching central program decisions for the utilization of resources on the basis that he will have the responsibility for making such central decisions in the initial period of an emergency. This system shall include uniform criteria and procedures for:

(a) The development by each Federal agency of the amounts and types of resources which it must claim in order to meet the requirements of its planned programs;

(b) The central consideration of the supply-requirements evaluations of planned programs;

(c) The central determination of major resource utilization programs under varied conditions of national emergency on a relative urgency basis and central direction for the adjustment of agency programs consistent with such determinations; and

(d) The decentralization of controls if required by emergency conditions.

SEC. 204. *Control systems.* The Director shall develop policies and procedures for the coordinated application by Federal agencies, in time of emergency, of priorities, allocations, and other resource control and distribution systems (including a system for the rationing of consumer goods) for the conduct of approved major programs.

SEC. 205. *Research.* The Director shall develop, maintain, and conduct a central research planning program for emergency preparedness purposes. The Director shall maintain, with the participation and support of Federal agencies concerned, a national resources evaluation capability for predicting and monitoring the status of resources under all degrees of emergency, for identifying resource deficiencies and feasible production programs and for supplying resource evaluations at national and subordinate levels to support mobilization base planning, continuity of government, resource management and economic recovery.

SEC. 206. *Dispersal and protection of facilities.* (a) The Director, after consultation with the appropriate Federal agencies, shall advise the President concerning the strategic relocation of industries, services, government and economic activities, the operations of which are essential to the nation's security. He shall coordinate the efforts of Federal agencies with respect to the application of the principle of geographic dispersal of certain industrial facilities, both government- and privately-owned, in the interest of national defense.

(b) The Director, under authority of, and in accordance with the provisions of, Executive Order No. 10421 of December 31, 1952, shall perform functions in respect of the physical security of facilities important to the national defense.

(c) In addition, the Director shall review all measures being taken by the Federal agencies with respect to the physical security and protection of facilities important to defense mobilization, defense production, civil defense or the essential civilian economy, including those under the provisions of emergency preparedness assignments to such agencies and shall recommend to the President such actions as are necessary to strengthen such measures.

SEC. 207. *Civil defense.* (a) Under authority of the provisions of Section 2 of Executive Order No. 10952 [1] of July 20, 1961, and as there prescribed, the Director shall advise and assist the President, and shall perform other functions, in respect of civil defense.

(b) Under authority of, and in accordance with the provisions of, Executive Order No. 10958 of August 14, 1961, the Director shall advise

[1] See 20-3.15.

and assist the President with respect to the stockpiling of food and medical supplies.

(c) The Director shall advise and assist the President with respect to the need for stockpiling various items essential to the survival of the population, additional to food and medical supplies, and with respect to programs for the acquisition, storage, and maintenance of such stockpiles.

SEC. 208. *Federal-State relations.* (a) The Director shall represent the President in working with State Governors to stimulate vigorous State and local participation in emergency preparedness measures.

(b) He shall provide advice and guidance to the States with regard to preparations for the continuity of State and local civilian political authority in the event of nuclear attack on the United States which shall include, but not be limited to, programs for maintaining lines of succession to office, safekeeping of essential records, provision for alternate sites of government, the protection and effective use of government resources, personnel, and facilities, and interstate compacts and reciprocal legislation relating to emergency preparedness.

(c) He shall assist the President in achieving a coordinated working relationship between the various elements of State governments and the Federal agencies to which specific emergency preparedness functions have been assigned pursuant to statute or Executive order.

(d) The civil defense activities involved in the functions prescribed by the foregoing provisions of this section shall be carried out in accordance with the provisions of Section 2 of Executive Order No. 10952 [1] of July 20, 1961.

SEC. 209. *Review and evaluation.* The Director shall from time to time furnish the President overall reports and recommendations concerning the emergency preparedness programs, including the state of preparedness of Federal, State, and local governments to carry out their emergency functions.

## PART III. SPECIAL EMERGENCY PLANNING RESPONSIBILITIES

SEC. 301. *General.* Under the direction of the President, the Director shall have primary responsibility (1) for planning assumptions and broad nonmilitary emergency preparedness objectives, (2) for planning the nonmilitary organization and functioning of the Federal Government in time of national emergency, (3) for developing, in association with interested agencies, the emergency planning, including making recommendations to the President as to the appropriate roles of Federal agencies, in currently unassigned matters, such as, but not necessarily limited to, economic stabilization, economic warfare, emergency information, and wartime censorship, (4) for planning for the emergency mobilization of telecommunications resources, and (5) for the development of nonmilitary policies and programs for use in the event of enemy

[1] See 20-3.15.

attack on the United States designed to restore the national defense potential of the nation.

SEC. 302. *Emergency organization.* The Director, in consultation with the Director of the Bureau of the Budget, shall plan for the organization and functioning of the Federal Government in an emergency, including provisions for the central direction of all emergency mobilization activities and the creation of such emergency agencies as may be required for the conduct of emergency activities including those within the normal jurisdiction of existing agencies. Plans shall provide for maximum practicable reliance to be placed on existing Federal agencies with competence in emergency operations and, as best may be, shall be harmonious with related operations of the Government as a whole.

SEC. 303. *Emergency authorities.* The Director shall provide for the prompt exercise of Federal emergency authority through the advance preparation of such proposed legislation, Executive orders, rules, regulations, and directives as would be necessary to put into effect operating programs appropriate to the emergency situation.

SEC. 304. *Continuity of Federal Government.* The Director shall develop policies and plans to assure the continuity of essential Federal Government activities through programs to provide for lines of succession to office, safekeeping of essential records, alternate sites for Government operations, and the protection and effective use of Government resources, personnel, and facilities.

SEC. 305. *Executive Reserve.* The Director, under authority of, and in accordance with the provisions of, Executive Order No. 10660 [1] of February 15, 1956, shall develop policies and plans for the provision of an Executive Reserve of personnel capable of filling executive positions in the Government in time of emergency.

SEC. 306. *Emergency telecommunications.* The Director shall be responsible for (1) planning for the mobilization of the nation's telecommunications resources in time of national emergency, and (2) carrying out, under the authority of, and in accordance with the provisions of, Executive Order No. 10705 of April 17, 1957, the functions thereby delegated or otherwise assigned to him.

SEC. 307. *Post-attack recovery.* Under the direction of the President, the Director, with the cooperation and assistance of the Federal agencies, shall develop policies, plans, and programs designed to provide for the rapid restoration after an attack on the United States of a national capability to support a strong national defense effort.

## PART IV. CURRENT MANAGEMENT RESPONSIBILITIES

SEC. 401. *Defense production.* Under the authority of, and in accordance with the provisions of, Executive Order No. 10480 [2] of August

[1] See 20-3.11.
[2] See 20-3.2.

14, 1953, the Director shall perform the functions thereby delegated or otherwise assigned to him.

SEC. 402. *Strategic and critical materials stockpiling.* (a) There are hereby delegated to the Director all those functions under the Strategic and Critical Materials Stockpiling Act (50 U.S.C. 98 et seq.), under Section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h), and under Section 204(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(f)), which were transferred to the President by the provisions of Reorganization Plan No. 1 of 1958 (72 Stat. 1799).

(b) The Director, under the provisions of the said Strategic and Critical Materials Stockpiling Act, shall determine which materials are strategic and critical and the quality and quantity of such materials which shall be stockpiled, and shall direct the General Services Administration in the purchase, storage, refinement, rotation, and disposal of materials.

(c) The Director is hereby designated as an agency under and for the purposes of the provisions of clause (b) of Section 5 of the Strategic and Critical Materials Stockpiling Act (50 U.S.C. 98d (clause (b))); and, accordingly, in the event of enemy attack upon the United States the Director is authorized and directed to order the release by the Administrator of General Services of such materials from stockpiles established under the said Act, in such quantities, for such uses, and on such terms and conditions, as the Director determines to be necessary in the interests of the national defense.

SEC. 403. *Supplemental stockpile.* The Director, under authority of the provisions of Section 4(d)(2) of Executive Order No. 10900 of January 6, 1961, shall determine from time to time the materials to be contracted for or purchased for a supplemental stockpile with foreign currencies pursuant to the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704 (b)).

SEC. 404. *Imports threatening the national security.* (a) The Director, under the authority of, and in accordance with the provisions of, Section 2 of the Act of July 1, 1954 (68 Stat. 360; 19 U.S.C. 1352a), shall make appropriate investigations of the effects of imports on the national security and shall advise the President of any case in which the Director is of the opinion that an article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security.

(b) The Director, under authority of, and in accordance with the provisions of, Section 3(d) of Executive Order No. 10582 of December 17, 1954, shall furnish advice to procuring agencies with respect to the rejection of bids or offers to furnish materials of foreign origin on the ground that such rejection is necessary to protect essential national security interests.

SEC. 405. *Disaster relief.* The Director, under authority of, and

in accordance with the provisions of, Executive Order No. 10427 [1] of January 16, 1953, and Executive Order No. 10737 [2] of October 29, 1957, shall exercise authority under the Act of September 30, 1950, entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes" (42 U.S.C. 1855 et seq.).

SEC. 406. *Telecommunications.* Under authority of, and in accordance with the provisions of, Executive Order No. 10995 of February 16, 1962, the Director shall perform functions in respect of telecommunications.

## PART V. GENERAL PROVISIONS

SEC. 501. *Rules and regulations.* In carrying out his responsibilities under this order, the Director is authorized to issue such rules and regulations, and directives, consonant with law and Executive order, as he deems necessary and appropriate to the functions involved.

SEC. 502. *Boards and committees.* The Director is hereby authorized to establish in headquarters and in the field such boards and committees as he deems necessary to advise him in the conduct of activities outlined herein.

SEC. 503. *Certain additional authorities.* (a) There are hereby delegated to the Director all those now-existing functions under the National Security Act of 1947 which were transferred to the President by the provisions of Reorganization Plan No. 1 of 1958 (72 Stat. 1799).

(b) In performing the functions under the Federal Civil Defense Act of 1950 [3] assigned to him, and subject to applicable provisions of Executive orders, the Director is authorized to exercise the authority conferred by Title IV of that Act. The foregoing provision of this subsection shall not be deemed to derogate from any authority under Title IV heretofore available to the Secretary of Defense.

SEC. 504. *Reports.* The Director is authorized to require from Federal agencies such statistical data and progress reports at such intervals as he deems necessary to discharge his responsibilities under this order.

SEC. 505. *Prior actions.* All orders, regulations, rulings, certificates, directives, and other actions relating to any function affected by this order shall remain in effect except as they are inconsistent herewith or are hereafter amended or revoked under proper authority, and nothing in this order shall affect the validity or force of anything done under previous delegations or other assignments of the functions affected by this order.

SEC. 506. *Executive Order 11030.* Nothing in this order or in any order amended by this order shall derogate from the provisions of Executive Order No. 11030 of June 19, 1962.

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[1] See 30-2.3.
[2] See 30-2.4.
[3] See 20-3.14.

SEC. 507. *References to orders and Acts.* Except as may for any reason be inappropriate, references in this order to any other Executive order or to any Act, and references in this order or in any other Executive order to this order, shall be deemed to include references thereto, respectively, as amended from time to time.

## PART VI. PRIOR EXECUTIVE ORDERS AND PROCLAMATIONS

SEC. 601. *General amendments.* Each reference to the Office of Civil and Defense Mobilization or to the Director of the Office of Civil and Defense Mobilization in the following is hereby amended to refer to the Office of Emergency Planning and the Director of the Office of Emergency Planning, respectively:

(1) Executive Order No. 10296 [1] of October 2, 1951
(2) Executive Order No. 10312 of December 10, 1951
(3) Executive Order No. 10346 [2] of April 17, 1952 (penultimate sentence of Section 2, only)
(4) Executive Order No. 10421 of December 31, 1952
(5) Executive Order No. 10427 [3] of January 16, 1953
(6) Executive Order No. 10480 [4] of August 14, 1953
(7) Executive Order No. 10494 of October 14, 1953
(8) Executive Order No. 10601 of March 21, 1955
(9) Executive Order No. 10634 of August 25, 1955
(10) Executive Order No. 10660 of February 15, 1956
(11) Executive Order No. 10705 of April 17, 1957
(12) Executive Order No. 10737 [5] of October 29, 1957
(13) Executive Order No. 10900 of January 5, 1961
(14) Executive Order No. 10952 [6] of July 20, 1961
(15) Executive Order No. 10958 of August 14, 1961
(16) Proclamation No. 3279 of March 10, 1959

SEC. 602. *Executive Order 10242.* Executive Order No. 10242 of May 8, 1951, is hereby amended:

(1) By deleting from subsection 101(a) thereof the following: "upon the Director of the Office of Civil and Defense Mobilization, hereinafter referred to as the Director,".

(2) By deleting from Sections 101(c), 101(d), 102, 103, 104, 106 (preamble), 201, and 301 the following: "upon the Director of the Office of Civil and Defense Mobilization".

(3) By substituting for the words "the Director of the Office of Civil and Defense Mobilization", at each place where they occur in the order and are not deleted or otherwise amended by this order, the following: "the delegate of the President".

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[1] See 9-2-2.
[2] See 20-3.3.
[3] See 30-2.3.
[4] See 20-3.2.
[5] See 30-2.4.
[6] See 20-3.15.

(4) By substituting for the words "shall not be delegated" in subsection 101(d) the following: "shall not be redelegated by the delegate of the President".

(5) By adding after Section 106 new Sections 107, 108, and 109, reading as follows:

"SEC. 107. The words 'the delegate of the President' as used in this order:

"(1) In respect of functions under the Act delegated or otherwise assigned to the Secretary of Defense, mean the Secretary of Defense.

"(2) In respect of functions delegated or otherwise assigned to the Director of the Office of Emergency Planning, mean the Director of the Office of Emergency Planning.

"SEC. 108. The authority conferred by Section 401(a) of the Act to employ part-time or temporary advisory personnel deemed necessary in carrying out the provisions of the Act, and delegated by the provisions of Section 101(a) of this order, shall be available as follows: (1) To the Secretary of Defense in respect of not to exceed eighty personnel (including not to exceed twenty subjects of the United Kingdom and Canada), and (2) to the Director of the Office of Emergency Planning in respect of not to exceed twenty personnel (including not to exceed five subjects of the United Kingdom and Canada).

"SEC. 109. The relevant provisions of this Part shall be subject to the provisions of the Memorandum of the President, pertaining to conflicts of interest, dated February 9, 1962 (27 F.R. 1341ff.)."

(6) By amending Section 401 to read as follows:

"SEC. 401. The approval of the President is hereby given for the employment of retired personnel of the armed services, pursuant to the provisions of subsection 401(a) of the Act as follows: (1) By the Secretary of Defense, not to exceed twenty persons, and (2) by the Director of the Office of Emergency Planning, not to exceed five persons."

SEC. 603. *Other orders.* (a) Executive Order No. 10260 of June 27, 1951, is hereby amended by striking from Section 1 thereof the following: "Office of Civil and Defense Mobilization, the".

(b) Executive Order No. 10346 [1] of April 17, 1952, is hereby amended by substituting for the reference therein to the Director of the Office of Civil and Defense Mobilization, and for each reference therein to the Office and Defense Mobilization except that in the penultimate sentence of Section 2, the following: "the Office of Emergency Planning or the Department of Defense or both, as may be determined under the provisions of appropriate Executive orders".

(c) Executive Order No. 10421 of December 31, 1952, is hereby amended by inserting before the period at the end of Section 3(b)(9) thereof a comma and the following: "including recommendations as

[1] See 20-3.3.

to actions necessary to strengthen the program provided for in this order".

(d) Executive Order No. 10529 [1] of April 22, 1954, is hereby amended by substituting for each reference therein to the Director of the Office of Civil and Defense Mobilization the following: "the Director of the Office of Emergency Planning or the Secretary of Defense or both as may be determined under appropriate Executive orders".

(e) Executive Order No. 10582 of December 17, 1954, is hereby amended by striking from Section 3(d) thereof the words "from any officer of the Government designated by the President to furnish such advice" and by inserting in lieu of the stricken words the following: "from the Director of the Office of Emergency Planning. In providing this advice the Director shall be governed by the principle that exceptions under this section shall be made only upon a clear showing that the payment of a greater differential than the procedures of this section generally prescribe is justified by consideration of national security".

(f) Executive Order No. 10789 of November 14, 1958, is hereby amended by striking from Section 21 thereof the words "Office of Civil and Defense Mobilization".

SEC. 604. *Superseded orders.* To the extent that the following have not heretofore been made or become inapplicable, they are hereby superseded and revoked:

(1) Executive Order No. 9981 of July 26, 1948
(2) Executive Order No. 10219 [2] of February 28, 1951
(3) Executive Order No. 10269 of July 6, 1951
(4) Executive Order No. 10438 [3] of March 13, 1953
(5) Executive Order No. 10461 [4] of June 17, 1953
(6) Executive Order No. 10524 of March 31, 1954
(7) Executive Order No. 10539 of June 22, 1954 (without prejudice to final liquidation of any affairs thereunder)
(8) Executive Order No. 10638 of October 10, 1955
(9) Executive Order No. 10773 [4] of July 1, 1958
(10) Executive Order No. 10782 [4] of September 6, 1958
(11) Executive Order No. 10902 of January 9, 1961

JOHN F. KENNEDY

THE WHITE HOUSE,

*September 27, 1962.*

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[1] See 20-3.9.
[2] See 20-3.2.
[3] See 20-3.3 (Footnote).
[4] See 20-3.2 (Footnote).

20. Defense Mobilization Activities

3. Defense Mobilization

## 2. CONDUCT OF MOBILIZATION

**[Executive Order 10480,[1] 18 Fed. Reg. 4939; 50 U.S.C. App. 2153 Note]**

### FURTHER PROVIDING FOR THE ADMINISTRATION OF THE DEFENSE MOBILIZATION PROGRAM

By virtue of the authority vested in me by the Constitution and laws of the United States, including the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061, et seq.), and as President of the United States and Commander in Chief of the armed forces of the United States, it is hereby ordered as follows:

### PART I. GENERAL DIRECTION OF PROGRAM

Section 101. (a) The Director of the Office [2] of Emergency Planning shall, on behalf of the President, coordinate all mobilization activities of the executive branch of the Government, including all such activities relating to production, procurement, manpower, stabilization, and transport. Every officer and agency of the Government, having functions under the Defense Production Act of 1950, as amended, delegated, redelegated, or otherwise assigned thereto by or under the authority of the President after the date of this order (whether heretofore or hereafter

[1] Amended by Executive Order 10489, Sept. 26, 1953, 18 Fed. Reg. 6201; Executive Order 10537, June 1, 1954, 19 Fed. Reg. 3807; Executive Order 10574, Nov 5, 1954, 19 Fed. Reg. 7249; Executive Order 10662, Mar. 13, 1956, 21 Fed. Reg. 1673; Executive Order 10773, July 1, 1958, 23 Fed. Reg. 5061; Executive Order 10782, September 6, 1958, 23 Fed. Reg. 6971; Executive Order 10819, May 8, 1959, 24 Fed. Reg. 3779 and Executive Order 11051, September 27, 1962, 27 Fed. Reg. 9683.

[2] Originally, this was the Office of Defense Mobilization, established by Executive Order 10193, December 16, 1950, 15 Fed. Reg. 9031.

Reorganization Plan No. 3 of 1953, effective June 12, 1953, 18 Fed. Reg. 3375 (1953) established a new Office of Defense Mobilization and transferred to that agency all functions then vested by any statute in the Director of Defense Mobilization or in the Office of Defense Mobilization provided for in Executive Order No. 10193. Executive Order 10461, issued June 17, 1953, 18 Fed. Reg. 3513 (1953), provided that the new Office of Defense Mobilization was made in all respects the successor of the Office of Defense Mobilization provided for in Executive Order No. 10193, and provided further that except in instances wherein the provisions concerned are for any reason inapplicable as of the effective date of Reorganization Plan No. 3 of 1953 (June 12, 1953) each reference in any prior Executive order to the Office of Defense Mobilization should thereafter be deemed to be a reference to the Office of Defense Mobilization established by Reorganization Plan No. 3 of 1953.

Reorganization Plan No. 1 of 1958, effective July 1, 1958, 23 Fed. Reg. 4991, transferred to the President of the United States all functions vested by law in the Office of Defense Mobilization, the Director of the Office of Defense Mobilization, the Federal Civil Defense Administration, and the Federal Civil Defense Administrator. Under the Plan the Office of Defense Mobilization and the Federal Civil Defense Administration were consolidated into the Office of Defense and Civilian Mobilization. By Executive Order 10773, effective July 1, 1958, 23 Fed. Reg. 5061, the President delegated to the Director of the Office of Defense and Civilian Mobilization all functions transferred to the President by Reorganization Plan No. 1 of 1958, and amended references to the Office of Defense Mobilization in prior Executive Orders to refer to the Office of Defense and Civilian Mobilization. Public Law 85-763, approved August 26, 1958, 72 Stat. 861, changed the name of the Office of Defense and Civilian Mobilization to the Office of Civil and Defense Mobilization. Executive Order 10782, effective September 6, 1958, 23 Fed. Reg. 6971, amended Executive Order 10773 by changing references in that Order to the Office of Defense and Civilian Mobilization to the Office of Civil and Defense Mobilization.

Executive Order 11051 of September 27, 1962, 27 Fed. Reg. 9683, amended each reference to the Office of Civil and Defense Mobilization or the Director of the Office of Civil and Defense Mobilization in Executive Order 10480 and other Executive orders to refer to the Office of Emergency Planning and the Director of the Office of Emergency Planning, respectively. Executive Order 11051 also revoked Executive Order 10461, Executive Order 10773, and Executive Order 10782 to the extent that such orders have become inapplicable. See 20-3.1.

acquired, or acquired by this order) shall perform the said functions subject to the direction and control of the Director of the Office of Emergency Planning.

(b) In carrying out the functions conferred upon him by this order, the Director of the Office of Emergency Planning shall, among other things:

(1) Perform the central programming functions incident to the determination of the production programs required to meet defense needs.

(2) Make determinations as to the provision of adequate facilities for defense production and as to the procedure and methods followed by agencies of the Government with respect to the accomplishments of defense production programs.

(3) Be the certifying authority for the purposes of and within the meaning of subsections (e) and (g) of Section 168 of the Internal Revenue Code of 1954.

(4) Issue such directives, consonant with law, on policy and program to officers and agencies of the Government for execution by them as may be necessary to carry out the functions assigned to him by this order, and resolve interagency issues which otherwise would require the attention of the President.

(5) Report to the President from time to time concerning his operations under this order.

Section 102. REVOKED [1]

## PART II. PRIORITIES AND ALLOCATIONS [2]

Section 201. (a) The functions conferred upon the President by Title I of the Defense Production Act of 1950, as amended, are hereby delegated to the Director of the Office of Emergency Planning, who shall, in carrying out the said functions, provide by redelegation or otherwise for their performance, subject to the provisions of section 101 of this order, by

(1) The Secretary of the Interior with respect to petroleum, gas, solid fuels and electric power.

(2) The Secretary of Agriculture with respect to food and with respect to the domestic distribution of farm equipment and commercial fertilizer.

[1] Sec. 102 was revoked by Executive Order 10773, July 1, 1958, 23 Fed. Reg. 5061. Sec. 102 established the Defense Mobilization Board and provided that the Director of the Office of Defense Mobilization should be chairman of the National Advisory Board on Mobilization Policy established by Executive Order 10224 of March 15, 1951, 16 Fed. Reg. 2543. Executive Order 10224 was also revoked by Executive Order 10773. Executive Order 11051 of September 27, 1962, 27 Fed. Reg. 9683, revoked Executive Order 10773, among other Executive orders. See 20-3.1.

[2] See 20-2.

(3) The Commissioner of the Interstate Commerce Commission who is responsible for the supervision of the bureau which administers the car-service functions of the Commission as set forth in paragraphs 10 to 17, inclusive, of section 1 of the Interstate Commerce Act, as amended, with respect to domestic transportation, storage, and port facilities, or the use thereof, but excluding air transport, coastwise, intercoastal, and overseas shipping.

(4) The Secretary of Commerce with respect to all other materials and facilities.

(5) Findings made under or pursuant to and for the purposes of section 101(b) of the Act shall not be effective until approved by the Director of the Office of Emergency Planning.

## PART III. EXPANSION OF PRODUCTIVE CAPACITY AND SUPPLY

Section 301. The Department of Defense,[1] the Atomic Energy Commission, the Department of Commerce, the Department of the Interior, the Department of Agriculture, the General Services Administration, and the National Aeronautics and Space Administration, in this Part referred to as guaranteeing agencies, each officer having functions delegated to him pursuant to section 201(a) of this order, and each other agency of the Government having mobilization functions, shall, within areas of production designated by the Director of the Office of Civil and Defense Mobilization, develop and promote measures for the expansion of productive capacity and of production and supply of materials and facilities necessary for the national defense.

Section 302. (a) Each guaranteeing agency is hereby authorized, in accordance with section 301 of the Defense Production Act of 1950, as amended, subject to the provisions of this section, in order to expedite production and deliveries or services under Government contracts, and without regard to provisions of law relating to the making, performance, amendment, or modification of contracts, to guarantee in whole or in part any public or private financing institution (including any Federal Reserve Bank), by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount, or advance, or on any commitment in connection therewith, which may be made by such financing institution for the purpose of financing any contractor, subcontractor, or other person in connection with the performance of any contract or other operation deemed by the guaranteeing agency to be necessary to expedite production and deliveries of services under Government contracts for the procurement of materials or the performance of services for the national defense, or for the purpose of financing any contractor, subcontractor, or other person in connection with or in contemplation of the termination, in the interest of the

[1] Executive Order 11062, November 19, 1962, 27 Fed. Reg. 11447, substituted "The Department of Defense" for "The Department of the Army, the Department of the Navy, the Department of the Air Force."

United States, of any contract made for the national defense; but no small business concern (as defined in section 714(a)(1) of the said Act) shall be held ineligible for the issuance of such a guaranty by reason of alternative sources of supply.

(b) Each Federal Reserve Bank is hereby designated and authorized to act, on behalf of any guaranteeing agency, as fiscal agent of the United States in the making of such contracts of guarantee and in otherwise carrying out the purposes of section 301 of the said Act, as amended, in respect to private financing institutions.

(c) All actions and operations of Federal Reserve Banks, under authority of or pursuant to section 301 of the said Act, as amended, shall be subject to the supervision of the Board of Governors of the Federal Reserve System. Said Board is hereby authorized, after consultation with the heads of the guaranteeing agencies, (1) to prescribe such regulations governing the actions and operations of fiscal agents hereunder as it may deem necessary, (2) to prescribe, either specifically or by maximum limits or otherwise, rates of interest, guarantee and commitment fees, and other charges which may be made in connection with loans, discounts, advances, or commitments guaranteed by the guaranteeing agencies through such fiscal agents, and (3) to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guarantees.

Section 303. The Administrator of General Services is hereby authorized and directed to purchase and make commitments to purchase metals, minerals, and other materials, for Government use or resale, as authorized by and subject to the provisions of section 303 of the Defense Production Act of 1950, as amended: *Provided*, That the Secretary of Agriculture may also exercise the said functions under section 303 of the said Act, as amended, with respect to food, and with respect to plant fibers (except abaca) not included in the definition of food to the extent that the procurement of such fibers involves the encouragement and development of sources of supply within the United States and its Territories and possessions.

Section 304. The Director of the Office of Emergency Planning is hereby authorized and directed to encourage the exploration, development, and mining of critical and strategic minerals and metals, and to make provision for the development of substitutes for strategic and critical materials, as authorized by and subject to the provisions of section 303 of the Defense Production Act of 1950, as amended.

Section 305. The administrator of General Services is hereby authorized and directed to make subsidy payments, to determine the amounts, manner, terms, and conditions thereof, and to make findings, as authorized by and subject to the provisions of section 303(c) of the Defense Production Act of 1950, as amended.

Section 306. The functions conferred upon the President by section

303(e) of the Defense Production Act of 1950, as amended, with respect to the installation of additional equipment, facilities, processes, or improvements to plants, factories, and other industrial facilities owned by the United States Government, and with respect to the installation of Government-owned equipment in plants, factories, and other industrial facilities owned by private persons, are hereby delegated to the Administrator of General Services.

Section 307. The functions conferred upon the President by section 303(f) of the Defense Production Act of 1950, as amended, with respect to transfers to the stockpile referred to in the said section, are hereby delegated to the Director of the Office of Emergency Planning.

Section 308. The authority conferred upon the President by section 304(b) of the Defense Production Act of 1950, as amended, to approve borrowing from the Treasury of the United States is hereby delegated to the Director of the Office of Emergency Planning.

Section 309. All functions provided for in sections 303 to 307, inclusive, and in sections 310 and 311 of this order, shall be carried out within such amounts of funds as may be made available pursuant to the Defense Production Act of 1950, as amended.

Section 310. (a) The Secretary of the Treasury, hereafter in this section referred to as the Secretary, is hereby authorized and directed to make loans (including participations in, or guarantees of, loans) to private business enterprises (including research corporations not organized for profit) for the expansion of capacity, the development of technological processes, and the production of essential materials, including the exploration, development, and mining of strategic and critical metals and minerals, exclusive of such expansion, development and production in foreign countries, as authorized by the subject to section 302 of the Defense Production Act of 1950, as amended. The functions assigned to the Secretary by this section include the administration and servicing of all loans (including participations in, or guarantees of, loans) made by the Reconstruction Finance Corporation prior to September 29, 1953, pursuant to the said section 302.

(b) Loans under section 310(a) hereof (1) shall be made upon such terms and conditions as the Secretary shall determine, (2) shall be made only after the Secretary has determined in each instance that financial assistance is not available on reasonable terms from private sources or from other governmental sources, and (3) shall be made only upon certificate of essentiality of the loan, which certificate shall be made by the Director of the Office of Emergency Planning.

(c) Applications for loans under section 310(a) hereof shall be received from applicants by the Secretary or by such agencies of the Government as the Secretary shall designate for this purpose.

Section 311. (a) The Export-Import Bank of Washington is hereby authorized and directed to make loans (including participations in,

or guarantees of, loans) to private business enterprises, for the expansion of capacity, the development of technological processes, and the production of essential materials, including the exploration, development, and mining of strategic and critical metals and minerals, in those cases where such expansion, development or production is carried on in foreign countries, as authorized by and subject to section 302 of the Defense Production Act of 1950, as amended.

(b) Loans under section 311(a) hereof (1) shall be made upon such terms and conditions as the said Bank shall determine, (2) shall be made only after the Bank has determined in each instance that financial assistance is not available on reasonable terms from private sources and that the loan involved cannot be made under the provisions of and from funds available to the Bank under the Export-Import Bank Act of 1945, as amended, and (3) shall be made only upon the certificate of essentiality of the loan, which certificate shall be made by the Director of the Office of Emergency Planning.

(c) Applications for loans under section 311(a) hereof shall be received from applicants by the said Bank or by such agencies of the Government as the Bank shall designate for this purpose.

Section 312. The functions conferred by sections 303, 305 and 306 of this order shall be carried out in accordance with programs certified by the Director of the Office of Emergency Planning. Each officer and agency of the Government having mobilization functions shall make recommendations to the Director of the Office of Emergency Planning for the issuance of certificates or other action under sections 302 and 303 of the Defense Production Act of 1950, as amended, and for the issuance of certificates under subsections (e) and (g) of section 168 of the Internal Revenue Code of 1954, with respect to the materials and facilities which are, pursuant to the designation of areas of production by the Director of the Office of Emergency Planning under section 301 of this order, as amended, within the jurisdiction of such officer or agency.

Section 313. The Director of the Office of Emergency Planning is hereby authorized and directed to submit to the Congress the reports required by the second proviso of section 304(b) of the Defense Production Act of 1950, as amended.

## PART IV. LABOR SUPPLY

Section 401. The Secretary of Labor shall utilize the functions vested in him so as to meet most effectively the labor needs of defense industry and essential civilian employment, and to this end he shall:

(a) Assemble and analyze information on, and make a continuing appraisal of, the nation's labor requirements for defense and other activities and the supply of workers. All agencies of the Government shall cooperate with the Secretary in furnishing information necessary for this purpose.

(b) Consult with and advise each delegate of the Director of the Office of Emergency Planning referred to in section 201(a) of this order and each official of the Government exercising guarantee or loan functions under Part III of this order concerning (1) the effect of contemplated actions on labor supply and utilization, (2) the relation of labor supply to materials and facilities requirements, (3) such other matters as will assist in making the exercise of priority and allocations functions consistent with effective utilization and distribution of labor.

(c) Formulate plans, programs, and policies for meeting defense and essential civilian labor requirements.

(d) Utilize the public employment service system, and enlist the cooperation and assistance of management and labor to carry out these plans and programs and accomplish their objectives.

(e) Determine the occupations critical to meeting the labor requirements of defense and essential civilian activities and with the Secretary of Defense, the Director of Selective Service, and such other persons as the Director of the Office of Emergency Planning may designate develop policies applicable to the induction and deferment of personnel for the armed services, except for civilian personnel in the reserves.

## PART V. VOLUNTARY AGREEMENTS

Section 501. The functions conferred upon the President by section 708 of the Defense Production Act of 1950, as amended, are hereby delegated to the Director of the Office of Emergency Planning. Each officer of the Government to whom functions under Title I of the Defense Production Act of 1950, as amended, are delegated or otherwise assigned by the Director of the Office of Emergency Planning under section 201(a) hereof may, with respect to the materials and facilities within his jurisdiction, carry out the consultations referred to in subsection 708(a) of that Act, and make recommendations to the Director of the Office of Emergency Planning for the approval of voluntary agreements and programs as provided in section 708 of that Act.

## PART VI. GENERAL PROVISIONS

Section 601. As used in this order:

(a) The term "functions" includes powers, duties, authority, responsibilities, and discretion.

(b) The term "materials" includes raw materials, articles, commodities, products, supplies, components, technical information, and processes, but excludes fissionable materials as defined in the Atomic Energy Act of 1946.

(c) The term "petroleum" shall mean crude oil and synthetic liquid fuel, their products, and associated hydrocarbons, including pipelines for the movement thereof.

(d) The term "gas" shall mean natural gas and manufactured gas, including pipelines for the movement thereof.

(e) The term "solid fuels" shall mean all forms of anthracite, bituminous, sub-bituminous, and lignitic coals; coke, and coal chemicals.

(f) The term "electric power" shall mean all forms of electric power and energy, including the generation, transmission, distribution, and utilization thereof.

(g) The term "metals and minerals" shall mean all raw materials of mineral origin, including their refining and processing but excluding their fabrication.

(h) The term "food" shall mean all commodities and products, simple, mixed, or compound, or complements to such commodities or products, that are capable of being eaten or drunk by either human beings or animals, irrespective of other uses to which such commodities or products may be put, at all stages of processing from the raw commodity to the products thereof in vendible form for human or animal consumption. For the purposes of this order the term "food" shall also include all starches, sugars, vegetable and animal fats and oils, cotton, tobacco, wool, mohair, hemp, flax fiber, and naval stores, but shall not include any such material after it loses its identity as an agricultural commodity or agricultural product.

(i) The term "farm equipment" shall mean equipment manufactured for use on farms in connection with the production or processing of food.

(j) The term "fertilizer" shall mean fertilizer in form for distribution to the users thereof.

(k) The term "domestic transportation, storage, and port facilities" shall include locomotives, cars, motor vehicles, watercraft used on inland waterways, in harbors, and on the Great Lakes, and other vehicles, vessels, and all instrumentalities of shipment or carriage, irrespective of ownership, and all services in or in connection with the carriage of persons or property in intrastate, interstate, or foreign commerce within the United States, its Territories and possessions and the District of Columbia, except movement of petroleum and gas by pipeline; and warehouses, piers, docks, wharves, loading and unloading equipment, and all other structures and facilities used in connection with the transshipment of persons and property between domestic carriers and carriers engaged in coastwise, intercoastal, and overseas transportation.

Section 602. (a) Except as otherwise provided in section 602(c) of this order, each officer or agency of the Government having functions under the Defense Production Act of 1950, as amended, delegated or assigned thereto by or pursuant to this Executive order may exercise and perform, with respect to such functions, the functions vested in the President by Title VII of the said Act.

(b) The functions which may be exercised and performed pursuant to the authority of section 602(a) of this order shall include, but not by way of limitation, (1) except as otherwise provided in section 708(c) of the Defense Production Act of 1950, as amended, the power to redelegate functions, and to authorize the successive redelegation of functions, to agencies, officers, and employees of the Government (2) the power to create an agency or agencies, under the jurisdiction of the officer concerned, to administer functions delegated or assigned by or pursuant to this order, and (3) in respect of Part II of this order, the power of subpoena: *Provided,* That the subpoena power shall be utilized only after the scope and purpose of the investigation, inspection, or inquiry to which the subpoena relates have been defined either by the appropriate officer referred to in section 602(a) of this order or by such other person or persons as he shall designate.

(c) There are excluded from the functions delegated by section 602(a) of this order (1) the functions delegated by Part V of this order, (2) the functions of the President with respect to regulations under sections 710(b), (c), (d) and (e) of the Defense Production Act of 1950, as amended, and (3) the functions of the President with respect to fixing compensation under section 703(a) of the said Act.

(d)[1]

Section 603. All agencies of the Government (including, as used in this order, departments, establishments, and corporations) shall furnish to each officer of the Government to whom functions under the Defense Production Act of 1950, as amended, are delegated or assigned by or pursuant to this order such information relating to defense production or procurement, or otherwise relating to the said functions, delegated or assigned to such officer by or pursuant to this order as may be required to perform those functions.

Section 604. The Defense Materials Procurement Agency established by Executive Order No. 10281 of August 28, 1951 (16 F.R. 8789), is hereby abolished and the personnel, records, property, and unexpended balances of appropriations, allocations and other funds thereof shall be transferred from it to the General Services Administration for use in connection with the functions assigned or delegated to the Administrator of General Services by or pursuant to this order or for purposes of liquidation, as the said Administrator shall determine.

Section 605. The Economic Stabilization Agency, established by Executive Order No. 10161 of September 9, 1950, is continued to October 31, 1953, under the direction of the Director of the Office of Emergency Planning who shall serve *ex officio* as the Economic Stabilization Administrator for the purpose of winding up and liquidating the affairs of said Agency.

Section 606. All orders, regulations, rulings, certificates, directives and other actions relating to any function affected by this order shall

[1] Section 602(d) deleted by E.O. 10662, March 13, 1956, 21 Fed. Reg. 1673.

remain in effect except as they are inconsistent herewith or are hereafter amended or revoked under proper authority, and nothing in this order shall affect the validity or force of anything heretofore done under previous delegations or other assignment of authority under the Defense Production Act of 1950, as amended.

Section 607. The following are superseded or revoked:

(1) Executive Order No. 10161 of September 9, 1950 (15 F.R. 6105).
(2) " " " 10169 of October 11, 1950 (15 F.R. 6901).
(3) " " " 10193 of December 16, 1950 (15 F.R. 9031).
(4) " " " 10200 of January 3, 1951 (16 F.R. 61).
(5) " " " 10223 of March 10, 1951 (16 F.R. 2247).
(6) " " " 10281 of August 28, 1951 (16 F.R. 8789).
(7) " " " 10324 of February 6, 1952 (17 F.R. 1171).
(8) " " " 10359 of June 9, 1952 (17 F.R. 5269).
(9) " " " 10373 of July 14, 1952 (17 F.R. 6425).
(10) " " " 10377 of July 25, 1952 (17 F.R. 6891).
(11) " " " 10390 of August 30, 1952 (17 F.R. 7995).
(12) " " " 10433 of February 4, 1953 (18 F.R. 761).
(13) " " " 10467 of June 30, 1953 (18 F.R. 3777).

Section 608. To the extent that any provision of any prior Executive Order (including Executive Order 10461 of June 17, 1953 (18 F.R. 3513)) is inconsistent with the provisions of this order, the latter shall control and such prior provision is amended accordingly. The following designated orders, modified as required to conform them to the provisions of this order, shall remain in effect.

Executive Order No. 10182 of November 21, 1950 (15 F.R. 8013), as amended by Executive Order No. 10205 of January 16, 1951 (16 F.R. 419). (Note: Superseded by E.O. 10647 of 11-28-55).

Executive Order No. 10219[1] of February 28, 1951 (16 F.R. 1983).

Executive Order No. 10224 of March 15, 1951 (16 F.R. 2543).

DWIGHT D. EISENHOWER

THE WHITE HOUSE
*August 14, 1953.*

[1] Revoked by Executive Order 11051 of September 27, 1962, 27 Fed. Reg. 9683. See 20-3.1.

20. Defense Mobilization Activities

3. Defense Mobilization

# 3. PREPARATION BY FEDERAL AGENCIES OF CIVIL DEFENSE EMERGENCY PLANS

[Executive Order 10346,[1] 17 Fed. Reg. 3477; 50 U.S.C. App. 2286 note]

By virtue of the authority vested in me by the Federal Civil Defense Act of 1950, approved January 12, 1951 (Public Law 920, 81st Congress), and as President of the United States and Commander in Chief of the Armed Forces of the United States, it is hereby ordered as follows:

Section 1. In furtherance of national planning for the utilization of the personnel, materials, facilities, and services of the Federal departments and agencies which will be required in the event of a civil-defense emergency, each Federal department and agency shall, in consultation with the Office of Emergency Planning, prepare plans for providing its personnel, materials, facilities, and services pursuant to the provisions of section 302 of the said Federal Civil Defense Act during the existence of a civil-defense emergency. The plans of each department and agency shall take into consideration the essential military requirements of the Department of Defense with respect to such department or agency.

Sec. 2. In addition to the plans required by section 1 hereof, each Federal department and agency shall prepare plans for maintaining the continuity of its essential functions at the seat of Government and elsewhere during the existence of a civil-defense emergency. The personnel, materials, and facilities required for this purpose shall be exclusive of the personnel, materials, and facilities required for the execution of the plans prepared pursuant to section 1 of this order. In the preparation of the continuity plans required by this section, each department and agency shall consult with the Office of Emergency Planning with respect to the civil-defense aspects of its functions. In order to achieve uniformity of planning for the continuity of essential functions, the Director of the Office of Emergency Planning or the Department of Defense or both, as may be determined under the provisions of appropriate Executive orders shall establish such standards

[1] Amended by Executive Order No. 10438, Mar. 13, 1953, 18 Fed. Reg. 1491; Executive Order 10773, July 1, 1958, 23 Fed. Reg. 5061; Executive Order 10782, September 6, 1958, 23 Fed. Reg. 6971, and Executive Order 11051, September 27, 1962, 27 Fed. Reg. 9683.
Executive Order 10438 transferred civil defense functions of the National Security Resources Board under Executive Order 10346 to the Director of Defense Mobilization. Executive Order 10773, in addition to other provisions, amended references to the Office of Defense Mobilization in prior Executive Orders to refer to the Office of Defense and Civilian Mobilization Executive Order 10782 amended Executive Order 10773 by changing references in that Order to the Office of Defense and Civilian Mobilization to the Office of Civil and Defense Mobilization. Executive Order 11051 revoked Executive Orders 10438, 10773, and 10782 to the extent that such orders have become inapplicable, and also amended Executive Order 10346 to change references therein to the Office of Civil and Defense Mobilization to the Office of Emergency Planning, except that in the penultimate sentence of section 2 the reference to the Director of the Office of Civil and Defense Mobilization is amended by substituting the Director of "the Office of Emergency Planning or the Department of Defense or both, as may be determined under the provisions of appropriate Executive orders." See 20-3.1.

and policies as it may from time to time deem desirable. That portion of the continuity plans of a department or agency which involves its functions at the seat of Government shall become effective upon approval by the President, and that portion, if any, which involves functions performed elsewhere shall become effective upon approval by the head of the department or agency concerned.

* * * *

Sec. 3. The Director of the Office of Emergency Planning shall assist the departments and agencies by indicating the types of personnel, materials, facilities, and services considered useful for civil-defense purposes in time of emergency; arrange for the use of such personnel, materials, facilities, and services as are not required for maintaining the continuity of the essential functions of the departments and agencies; and coordinate such arrangements with national, State, and local civil-defense plans.

HARRY S. TRUMAN

THE WHITE HOUSE

*April 17, 1952.*

20. Defense Mobilization Activities

3. Defense Mobilization

## 4. DEFENSE PRODUCTION; PRIORITIES AND ALLOCATIONS AUTHORITY

[Defense Mobilization Order 8400.1, 28 Fed. Reg. 12164]

(1) Policy guidance with regard to the use of the Priorities and allocations authority of title 1 of the Defense Production Act of 1950, as amended, and,

(2) Delegation of such authority to certain officers and agencies.

1. *Purpose.* This order (1) establishes policy guidance in accordance with section 101 of Executive Order 10480 and section 401 of Executive Order 11051, (2) delegates authority in accordance with section 201 of Executive Order 10480, as amended, and (3) delegates other authorities under the Defense Production Act of 1950, as amended.

2. *Cancellation.* This order supersedes Defense Mobilization Order 1-7, dated August 14, 1953 (18 F.R. 5366) (redesignated at 18 F.R. 6737, October 23, 1953); Defense Mobilization Order I-7, Amendment 1, Revised, dated November 12, 1954 (19 F.R. 7348); Defense Mobilization Order VII-3, Revised, dated January 10, 1956 (21 F.R. 253); and Defense Mobilization Order VII-3, Supplement 1, dated August 27, 1955 (20 F.R. 6339).

3. *Policies.* a. Authority of title I of the Defense Production Act of 1950, as amended, to control the distribution and use of materials and facilities, shall not be used except to require preference in the performance of contracts and orders and to allocate materials and facilities to accomplish the following:

(1) Direct military and atomic energy programs.

(2) Other programs and activities which are related to the military and atomic energy programs and which are certified by the Department of Defense or the Atomic Energy Commission and specifically authorized by the Office of Emergency Planning.

(3) Deliveries, production, and construction in industry required to fulfill direct military and atomic energy programs and the related programs and activities authorized under (2) above.

(4) The general distribution in the civilian market of materials found to be scarce and critical pursuant to the provisions of section 101(b) of the Defense Production Act of 1950, as amended, and approved by the Director of the Office of Emergency Planning under section 201(b) of Executive Order 10480, as amended.

(5) Assistance in providing materials and facilities for the restoration of productive capacity damaged or destroyed by a major disaster as

defined and determined under the provisions of Public Law 875, 81st Congress (42 U.S.C. 1855):

(a) Whenever the facility to be restored has delivery orders identified by authorized program identification symbols under the defense materials system.

(b) Whenever failure to restore the facility would result in failure to meet a defense delivery schedule.

(c) Whenever failure to restore the facility would prevent the provision of a service necessary to meet a defense delivery schedule.

(d) When and to the extent that assistance is necessary to restore mobilization base capacity for the production of defense items including materials and services covered by the Office of Emergency Planning expansion goals whether or not such goals remain open.

b. The distribution of steel, copper, aluminum and nickel alloys for military and atomic energy and authorized related programs and activities shall assure:

(1) That supplies of these materials are available to those programs and activities on time and in proper quantity.

(2) That demands of these programs and activities shall be distributed among suppliers on a generally fair and equitable basis.

(3) That allotments are not made in excess of actual current requirements of these programs and activities.

These criteria shall also apply to the maximum practicable extent to the use of priorities for materials other than steel, copper, aluminum and nickel alloys in support of direct military and atomic energy programs and other authorized programs and activities.

c. The Office of Emergency Planning shall review requirements and issue program determinations approving programs and making allotments of steel, copper, aluminum and nickel alloys to the Department of Defense and the Atomic Energy Commission for direct military and atomic energy programs and related programs and activities that have been authorized and assigned to these agencies for purposes of establishing them as programs eligible for priorities and allocations support, in accordance with the Business and Defense Services Administration regulations issued pursuant to title 1 of the Defense Production Act of 1950, as amended.

d. All agencies now or hereafter designated by the Director of the Office of Emergency Planning to furnish supply and requirements data shall be responsible for the provision of such data and shall be entitled to be heard in connection with the determination of programs by the Director. The evaluation of supply and requirements data and the determination of programs shall be the function of the Director of Economic Affairs of the Office of Emergency Planning with right of

appeal to the Director of the Office of Emergency Planning by any designated agency.

e. Exceptions to the foregoing basic policy may be made in the interests of the national defense by or with the authority of the Director of the Office of Emergency Planning.

4. *Delegation of authority.* a. The functions of the Director of the Office of Emergency Planning under title 1 of the Defense Production Act of 1950, as amended, are hereby delegated to those offices and agencies named in section 201 of Executive Order 10480,[1] as amended, with respect to the areas of responsibilities designated, and subject to the limitations prescribed in that section.

b. The functions conferred upon the Director of the Office of Emergency Planning by section 310(b) and 311(b) of Executive Order 10480,[1] as amended, to certify the essentiality of loans to the Secretary of the Treasury and the Export-Import Bank of Washington are hereby delegated to the Administrator of General Services to the extent that such loans are a part of and in accordance with the terms of programs certified by the Director of the Office of Emergency Planning pursuant to section 312 of Executive Order 10480.

c. The functions conferred upon the Director of the Office of Emergency Planning by section 304 of Executive Order 10480,[1] as amended, relative to the encouragement of exploration, development and mining of strategic and critical metals and minerals are hereby delegated to the Secretary of the Interior.

d. The functions delegated by this order may be redelegated with or without authority for further redelegation, and redelegations on the date hereof shall continue in effect until rescinded or modified by appropriate authority.

e. Officers and agencies performing the functions delegated by this order or redelegated by, or by authority of, the delegates hereunder shall perform such functions subject to the direction and control of the Director of the Office of Emergency Planning as provided by section 101 of Executive Order 10480,[1] as amended. Such officers and agencies shall furnish such reports on the use of the authority as the Director may require.

5. *Effective date.* This order is effective the date of issuance.

Dated: November 6, 1963.

JUSTICE M. CHAMBERS,
*Acting Director,*
*Office of Emergency Planning.*

[1] See 20-3.2.

20. Defense Mobilization Activities

3. Defense Mobilization

## 6. REDUCTION OF VULNERABILITY TO ATTACK

[Excerpt From Housing Act of 1954, Public Law 560, 83d Congress, 68 Stat. 590, 646]

SEC. 811. The Housing and Home Finance Agency, including its constituent agencies, and any other departments or agencies of the Federal Government having powers, functions, or duties with respect to housing under this or any other law shall exercise such powers, functions, or duties in such manner as, consistent with the requirements thereof, will facilitate progress in the reduction of the vulnerability of congested urban areas to enemy attack.

Approved August 2, 1954

20. Defense Mobilization Activities

3. Defense Mobilization

## 5. GUIDANCE ON PRIORITY USE OF RESOURCES IN IMMEDIATE POSTATTACK PERIOD

[DMO 8500. 1A; 29 Fed. Reg. 15123]

1. *Purpose.* This Order (1) states the policy of the Federal Government on use of resources in the period immediately following a nuclear attack on the United States, (2) provides general guidance for Federal, State, and local government officials on activities to be accorded priority in the use of postattack resources, and (3) lists those items essential to national survival in the immediate postattack period.

2. *Cancellation.* Defense Mobilization Order 8500.1, Guidance on Priority Use of Resources in Immediate Postattack Period, dated April 24, 1964 (29 F.R. 5796) is hereby superseded.

3. *General policy.* In an immediate postattack period all decisions regarding the use of resources will be directed to the objective of national survival and recovery. In order to achieve this objective, postattack resources will be assigned to activities concerned with the maintenance and saving of lives, immediate military defense and retaliatory operations, and economic activities essential to continued survival and recovery.

This guidance is designed to achieve a degree of national equity in the use of resources and to assign and conserve resources effectively in the immediate postattack period. Until more specific instructions are available, these are the general guidelines within which managerial judgment and common sense must be used to achieve national objectives under widely differing emergency conditions.

4. *Responsibilities.* As stated in The National Plan for Emergency Preparedness, the direction of resources mobilization is a Federal responsibility. However, in the period immediately following an attack, certain geographical areas may be temporarily isolated, and State and local governments will assume responsibility for the use of resources remaining in such areas until effective Federal authority can be restored. State and local governments will not assume responsibility for resources under the jurisdiction of a Federal agency where the Federal agency is able to function.

As soon as possible after an attack and until specific national direction and guidance on the use of resources is provided, Federal, State, and local officials will determine what resources are available, to what needs they can be applied, how they are to be used, and the extent to which resources are deficient or in excess of survival needs. They will base determinations as to the relative urgency for use of resources primarily upon the importance of specific needs of defense, survival, and recovery.

5. *Priority activities in immediate postattack period.* The following activities are to be accorded priority over all other claims for resources. There is no significance in the order of the listing—all are important. The order in which and the extent to which they are supported locally may vary with local conditions and circumstances. If local conditions necessitate the establishment of an order of priority among these activities, that order shall be based on determinations of relative urgency among the activities listed, the availability of resources for achieving the actions required, and the feasibility and timeliness of the activities in making the most rapid and effective contribution to national survival.

a. The immediate defense and retaliatory combat operations of the Armed Forces of the United States and its Allies: This includes support of military personnel and the production and distribution of military and atomic weapons, materials and equipment required to carry out these immediate defense and retaliatory combat operations.

b. Maintenance or reestablishment of Government authority and control to restore and preserve order and to assure direction of emergency operations essential for the safety and protection of the people. This includes:

(1) Police protection and movement direction;

(2) Fire defense, rescue and debris clearance;

(3) Warnings;

(4) Emergency information and instructions;

(5) Radiological detection, monitoring and decontamination.

c. Production and distribution of survival items and provision of services essential to continued survival and rapid recovery. * * * These include:

(1) Expedient shelter;

(2) Food, including necessary processing and storage;

(3) Feeding, clothing, lodging, and other welfare services;

(4) Emergency housing and community services;

(5) Emergency health services, including medical care, public health and sanitation;

(6) Water, fuel, and power supply;

(7) Emergency repair and restoration of damaged vital facilities.

d. Essential communications and transportation services needed to carry out the above activities.

e. Provision of supplies, equipment, and repair parts to produce and distribute goods needed for the above activities.

6. *Assignment of resources.* Resources required for essential uses, including manpower, will be assigned to meet the emergency requirements of the priority activities indicated above. The principal objectives are to use available resources to serve essential needs promptly and effectively, and to:

a. Protect and to prevent waste or dissipation of resources prior to their assignment to priority activities;

b. Support production of essential goods. Other production will be permitted to continue only from inventories on hand and when there is no emergency requirement for the resources vital to this production.

c. Support construction for emergency repair and restoration, construction of facilities needed for survival, or the conversion of facilities to survival use, where this can be accomplished quickly. Other construction already under way should be stopped, and no new construction started unless it can be used immediately for essential purposes upon completion.

Dated: November 4, 1964.

*Effective date.* This order is effective the date of issuance.

EDWARD A. MCDERMOTT,
*Director,*
*Office of Emergency Planning.*

20. Defense Mobilization Activities

3. Defense Mobilization

## 7. EXECUTIVE ORDER 11004

[27 Fed. Reg. 1542]

## ASSIGNING CERTAIN EMERGENCY PREPAREDNESS FUNCTIONS TO THE HOUSING AND HOME FINANCE ADMINISTRATOR

By virtue of the authority vested in me as President of the United States, including authority vested in me by Reorganization Plan No. 1 of 1958 (72 Stat. 1799), it is hereby ordered as follows:

SECTION 1. *Scope.* The Housing and Home Finance Administrator (hereinafter referred to as the Administrator) shall prepare national emergency plans and develop preparedness programs covering all aspects of lodging or housing and community facilities related thereto. These plans and programs shall be designed to develop a state of readiness in these areas with respect to all conditions of national emergency, including attack upon the United States.

SEC. 2. *Housing Functions.* The Administrator shall:

(a) *New housing.* Develop plans for the construction and management of new housing and the community facilities related thereto, when and where it is determined to be necessary with public funds through direct Federal action; or the construction of new housing through financial or credit assistance, in support of production programs.

(b) *Communities.* Develop plans for the selection, acquisition, development, and disposal of areas for civilian uses in new, expanded, restored, or relocated communities; and for the construction of housing for new or restored communities.

(c) *Resources.* Periodically assess assigned resources available from all sources in order to estimate availability under an emergency situation, analyze resource estimates in relation to estimated requirements in order to identify problem areas and develop appropriate recommendations and programs. Provide data and assistance before and after attack for national resources evaluation purposes of the Office of Emergency Planning.

(d) *Priorities.* Develop standards and priorities for guidance of States and communities in making maximum use of and allocating available housing resources.

(e) *Requirements.* Periodically assemble, develop as appropriate, and evaluate requirements with respect to assigned resources and services. Such estimates shall take into consideration the geographical distribution of requirements under emergency conditions.

(f) *Claimancy.* Prepare plans to claim materials, manpower, equipment, supplies, and services needed in support of assigned responsibilities and other essential functions of the agency from appropriate agencies,

and work with such agencies in developing programs to insure availability of such resources in an emergency.

(g) *Distribution.* Develop allocation and distribution control systems consistent with the priorities and allocations procedures prescribed by the Department of Commerce for materials and equipment needed for housing, and develop programs for the domestic distribution and use of mobile lodging facilities in an emergency.

(h) *Stockpiles.* Assist the Office of Emergency Planning in formulating and carrying out plans for stockpiling of strategic and critical materials, and survival items in the housing field.

(i) *Economic stabilization.* Cooperate with the Office of Emergency Planning and the Federal financial agencies in the development of preparedness measures involving emergency financing, real estate credit, and rent stabilization.

SEC. 3. *Cooperation with Department of Defense.* In consonance with national civil defense plans, programs, and operations of the Department of Defense under Executive Order No. 10952,[1] the Administrator shall:

(a) *Billeting.* Develop plans for a billeting program, including advice and guidance for State and local government agencies in the administration thereof. The Secretary of the Department of Health, Education, and Welfare shall incorporate billeting plans in the general welfare guidance program for States.

(b) *Temporary housing.* Develop plans for the emergency repair and restoration to use of damaged housing, for the construction and management of emergency housing units and the community facilities related thereto, and for the emergency conversion to dwelling use of non-residential structures with public funds through direct Federal action or through financial or credit assistance.

(c) *Population movement.* Participate in the preparation of plans for determining which areas are to be restored and in the development and coordination of plans for the movement of people on a temporary basis from areas to be abandoned to areas where housing is available or can be made available.

(d) *Shelter.* Assist in the development of plans to encourage the construction of fallout shelters for both old and new housing in conformance to the national shelter policy.

(e) *Vulnerability.* Participate in promoting the dispersal of new or expanding communities and government installations in conformance to national vulnerability reduction policy.

(f) *Damage assessment.* Maintain a capability to assess the effects of attack on housing resources, both at national and field levels, and provide data assistance to the Department of Defense.

SEC. 4. *Research.* Within the framework of overall Federal research objectives the Administrator shall supervise or conduct research directly concerned with carrying out emergency preparedness responsibilities,

[1] See 20-3.15.

designate representatives for necessary ad hoc or task force groups, and provide advice and assistance to other agencies in planning for research in areas involving the agency's interests.

SEC. 5. *Functional Guidance.* The Administrator, in carrying out the functions assigned in this order, shall be guided by the following:

(a) *Interagency cooperation.* The Administrator shall assume the initiative in developing joint plans for the coordination of civilian housing emergency programs of those departments and agencies which normally have responsibilities for any segment of such activities. He shall utilize to the maximum those capabilities of other agencies qualified to perform or assist in the performance of assigned functions by contractual or other agreements.

(b) *Presidential coordination.* The Director of the Office of Emergency Planning shall advise and assist the President in determining policy for, and assist him in coordinating the performance of functions under this order with the total national preparedness program.

(c) *Emergency planning.* Emergency plans and programs, and emergency organization structure required thereby, shall be developed as an integral part of the continuing activities of the Housing and Home Finance Agency on the basis that it will have the responsibility for carrying out such programs during an emergency. The Administrator shall be prepared to implement all appropriate plans developed under this order. Modifications and temporary organizational changes, based on emergency conditions, will be in accordance with policy determination by the President.

SEC. 6. *Emergency Actions.* Nothing in this order shall be construed as conferring authority under Title III of the Federal Civil Defense Act of 1950, as amended, or otherwise, to put into effect any emergency plan procedure, policy, program, or course of action prepared or developed pursuant to this order. Such authority is reserved to the President.

SEC. 7. *Redelegation.* In carrying out the functions outlined in this order, the Administrator may reassign such functions to and designate or appoint any official or employee within the Housing and Home Finance Agency, including the constituent agencies, to serve in any position within the Housing and Home Finance Agency.

SEC. 8. *Prior Actions.* To the extent of any inconsistency between the provisions of any prior order and the provisions of this order, the latter shall control. Emergency Preparedness Order No. 6 (heretofore issued by the Director, Office of Civil and Defense Mobilization) (26 F.R. 658–659), is hereby revoked.

JOHN F. KENNEDY

THE WHITE HOUSE
*February 16, 1962.*

20. Defense Mobilization Activities

3. Defense Mobilization

## 8. PROGRAM FOR EXPANSION OF SUPPLIES OF MATERIALS NEEDED FOR DEFENSE PURPOSES IN EVENT OF A MAJOR DISASTER

[DMO. 8550.1; 29 Fed. Reg. 14594]

1. *Purpose.* This order sets forth policy for the expansion of materials supplies in event of a major disaster.

2. *Cancellation.* Defense Mobilization Order V–5, dated November 15, 1955 (20 F.R. 8519), is hereby superseded.

3. *Policy.* By virtue of the authority vested in me pursuant to the Defense Production Act of 1950, as amended; the Strategic and Critical Materials Stock Piling Act; the National Security Act of 1947, as amended; and Executive Order 11051, it is hereby ordered that:

Where a major disaster, as defined and determined under the provisions of the Act entitled "An Act to Authorize Federal Assistance to States or Local Governments in Major Disasters, and for other purposes" (P.L. 875, 81st Congress (42 U.S.C. 1855)), has either reduced the supplies of materials needed for defense purposes or has increased defense requirements for such materials, all agencies having emergency preparedness assignments shall promptly recommend appropriate programs to the Office of Emergency Planning for expansion of supply under authority of the Defense Production Act of 1950, as amended.

4. *Effective date.* This order is effective the date of issuance.

Dated: October 19, 1964.

EDWARD A. MCDERMOTT,
*Director, Office of*
*Emergency Planning.*

20. Defense Mobilization Activities

3. Defense Mobilization

## 9. POLICY FOR UTILIZATION OF GOVERNMENT-OWNED MATERIALS IN EVENT OF A MAJOR DISASTER

[DMO. 8550.2; 29 Fed. Reg. 14595]

1. *Purpose.* This order sets forth policy for the utilization of Government-owned materials in the event of a major disaster.

2. *Cancellation.* Defense Mobilization Order V–6 dated November 15, 1955 (20 F.R. 8520) is hereby superseded.

3. *Policy.* By virtue of the authority vested in me pursuant to the Defense Production Act of 1950, as amended; the Strategic and Critical Materials Stock Piling Act; the National Security Act of 1947, as amended; and Executive Order 11051, it is hereby ordered that:

Where a major disaster, as defined and determined under the provisions of the Act entitled "An Act to Authorize Federal Assistance to States or Local Governments in Major Disasters," and for other purposes (P.L. 875, 81st Congress (42 U.S.C. 1855)), has impeded production or movement of materials essential to defense purposes (including meeting of defense orders and the reconstruction of facilities essential to the mobilization base) all agencies having emergency preparedness assignments shall promptly advise the Office of Emergency Planning of the quantities and qualities of materials needed for specific defense projects. In the event that other measures cannot make adequate provision for supplying the needed materials, then the OEP will arrange with the General Services Administration for release of materials from the Defense Production Act Inventory. Where appropriate, the OEP will arrange with the Department of Agriculture for sale of such materials from the Commodity Credit Corporation inventories.

4. *Effective date.* This order is effective the date of issuance.

Dated: October 19, 1964.

EDWARD A. MCDERMOTT,
*Director, Office of*
*Emergency Planning.*

20. Defense Mobilization Activities

3. Defense Mobilization

## 10. FEDERAL EMPLOYEE PARTICIPATION IN STATE AND LOCAL CIVIL DEFENSE PROGRAMS

[Executive Order 10529,[1] 19 Fed. Reg. 2397, 50 U.S.C. App. 2297 note]

By virtue of the authority vested in me by the Constitution and statutes of the United States, including the Federal Civil Defense Act of 1950, 64 Stat. 1245, as amended, it is hereby ordered as follows:

Section 1. In arranging for the use of personnel of Federal departments and agencies for civil-defense purposes in time of emergency and for their coordination with State and local civil-defense plans in consonance with the provisions of section 3 of Executive Order No. 10346 of April 17, 1952, the Director of the Office of Emergency Planning or the Secretary of Defense or both as may be determined under appropriate Executive orders, after consultation with the head of a department or agency, may recommend that the services of such personnel of the said department or agency as have volunteered their services and have been selected for civil-defense assignments be made available for participation in the program of a State or of any political sub-division thereof for training, prior to an emergency, in the performance of civil-defense duties.

Sec. 2. After consideration of the recommendation of the Director of the Office of Emergency Planning or the Secretary of Defense or both as may be determined under appropriate Executive orders, the head of a Federal department or agency, or such officer as the head thereof may designate, may from year to year authorize such of the said personnel of such department or agency as he may designate to participate in pre-emergency training programs and test exercises in cooperation with any State or political sub-division thereof, and such duties shall be performed on assignment by the particular Federal department or agency, subject to the following conditions:

(a) Personnel so assigned shall at all times remain subject to the administrative jurisdiction and control of their Federal department or agency;

(b) The period of official time that may be authorized for any such

[1] Amended by Executive Order 10773, July 1, 1958, 23 Fed. Reg. 5061; Executive Order 10782, September 6, 1958, 23 Fed. Reg. 6971, and Executive Order 11051, September 27, 1962, 27 Fed. Reg. 9683.

Executive Order 10773, in addition to other provisions, amended references to the Office of Defense Mobilization in prior Executive orders to refer to the Office of Defense and Civilian Mobilization. Executive Order 10782 amended Executive Order 10773 by changing references in that Order to the Office of Defense and Civilian Mobilization to the Office of Civil and Defense Mobilization. Executive Order 11051 revoked the foregoing Executive orders and further provided that each reference in Executive Order 10529 to the Director of the Office of Civil and Defense Mobilization is amended to refer to "the Director of the Office of Emergency Planning or the Secretary of Defense or both as may be determined under appropriate Executive orders." See 20-3.1.

assignment pursuant to this order shall not exceed a total of forty working hours for any person during a calendar year; and

(c) There shall be satisfactory evidence from State or local civil defense authorities that such personnel served or participated in such programs or exercises pursuant to specific request of a public governmental body or organization established pursuant to and in accordance with a State civil defense law.

Sec. 3. During any period or periods in which such personnel shall be engaged in said civil-defense training duties under authority of this order, they shall continue to be compensated in usual course by their Federal department or agency, and shall continue in their status as Federal employees for all purposes. Where travel is involved in connection with the performance of such training duties, travel allowances and expenses may be authorized in accordance with the Standardized Government Travel Regulations.

Sec. 4. This order shall not be construed as restricting or limiting the activities of officers or employees of the Office of Emergency Planning in the performance of their functions and duties.

Sec. 5. As used in this Order:

(a) The term "personnel" shall mean persons who are in a full time pay status as civilian officers or employees of the United States Government.

(b) The term "state" shall mean any of the several States of the United States, the District of Columbia, each of the Territories and possessions of the United States, and the Commonwealth of Puerto Rico.

DWIGHT D. EISENHOWER

THE WHITE HOUSE
*April 22, 1954.*

20. Defense Mobilization Activities

3. Defense Mobiiization

## 11. ESTABLISHMENT OF NATIONAL DEFENSE EXECUTIVE RESERVE

[Executive Order 11179; 29 Fed. Reg. 13239]

### PROVIDING FOR THE NATIONAL DEFENSE EXECUTIVE RESERVE

By virtue of the authority vested in me by the Constitution and statutes of the United States, including Sections 703 (a) and 710(e) of the Defense Production Act of 1950, as amended (50 U.S.C. App. 2153 (a); 2160(e)), and as President of the United States, it is hereby ordered as follows:

SECTION 1. There shall be in the Executive Branch of the Government a National Defense Executive Reserve composed of persons selected from various segments of the civilian economy and from government for training for employment in executive positions in the Federal Government in the event of the occurrence of an emergency that requires such employment.

SEC. 2. The Director of the Office of Emergency Planning (hereinafter referred to as the Director) shall administer the Executive Reserve program; coordinate the activities of other agencies in establishing units of the Reserve; provide for appropriate standards of recruitment and training; approve prospective members of the Executive Reserve; and issue necessary rules and regulations in connection with the program.

SEC. 3. The Director, in carrying out his responsibilities under this order, may utilize the services of other departments and agencies in the maintenance of agency and centralized rosters and in the development of training programs and materials.

SEC. 4. (a) The head of any department or agency of the Government (hereinafter referred to as a Secretary), designated by the Director after appropriate consultation, may establish a unit of the Executive Reserve (hereinafter referred to as Executive Reserve Units) in his respective department or agency.

(b) Executive Reserve Units existing under Executive Order No. 10660 of February 15, 1956, as amended, on the date of this order shall henceforth be deemed to be Executive Reserve Units under this order.

SEC. 5. Membership in Executive Reserve Units shall be subject to the following:

(1) Subject to the provisions of this order, particularly paragraph (4) of this section, an individual who on the date of this order was a member of an Executive Reserve Unit under Executive Order No. 10660 may continue to serve therein without further designation.

(2) A Secretary desiring to designate an individual to serve as a member of an Executive Reserve Unit of his department or agency shall submit the name of the prospective designee to the Director for approval. Upon approval of the prospective designee by the Director, the Secretary concerned may designate the individual as a member of the Executive Reserve Unit of his department or agency.

(3) An individual whose membership in an Executive Reserve Unit has at any time expired, or is at any time about to expire, under the terms of this order may be redesignated as a member under the procedure set forth in paragraph (2) of this section.

(4) Without limiting the authority of the respective Secretaries to terminate the membership of any individual in an Executive Reserve Unit at any time, it is directed that continued service of a member under paragraph (1) of this section, and the designation or redesignation of a member under paragraph (2) or (3) of this section, respectively (including any designation of an individual occurring at the expiration of his continued service under paragraph (1)), shall be for a period not to exceed three years.

SEC. 6. Activities of any person by reason of his continuance, designation, or redesignation as an Executive Reservist under this order shall not include acting or advising on any matter pending before any department or agency but shall be limited to receiving training for mobilization assignments under the Reserve program.

SEC. 7. The Director shall report to the President annually, and at such other times as may be appropriate, on the status and operation of the Executive Reserve program.

SEC. 8. Executive Order No. 10660 of February 15, 1956, entitled "Providing for the Establishment of a National Defense Executive Reserve," as amended, is hereby superseded.

LYNDON B. JOHNSON

THE WHITE HOUSE,
*September 22, 1964.*

20. Defense Mobilization Activities

3. Defense Mobilization

## 12. NATIONAL DEFENSE EXECUTIVE RESERVE

[DMO 9700.1; 30 Fed. Reg. 1939]

1. *Purpose.* This order prescribes the basic objectives, authorities, organization, and administration for the National Defense Executive Reserve.

2. *Cancellation.* OEP Circular 9700.1 dated July 10, 1963 (28 F.R. 8402) is hereby cancelled.

3. *Authorities.* Section 710(e) of the Defense Production Act of 1950, as amended, and Executive Order 11179 of September 22, 1964, Providing for the National Defense Executive Reserve.

4. *Objective.* To provide an effective reserve of executive talent for Government service in the event of the occurrence of an emergency requiring such employment.

5. *Organization and administration.* a. The Director of the Office of Emergency Planning, under the direction of the President, is responsible for developing the overall policies and plans for the Executive Reserve program of the Federal Government. Agencies of the Executive Branch having emergency responsibilities are authorized, after appropriate consultation with the OEP Director, to establish and maintain national units with field elements of the Executive Reserve. Such agencies shall recommend individuals to be designated to serve as members of their units. Upon their approval by the OEP Director such individuals shall be designated by the agency head for a term not to exceed 3 years, and may be redesignated with the approval of the Director of OEP for additional 3-year terms. An individual who on the date of issuance of Executive Order 11179 was a member of an Executive Reserve unit may continue to serve therein without further designation for a term of 3 years from that date. Each unit of the Executive Reserve shall be under the supervision of the agency head or a ranking official designated by him for the conduct of the program. This order does not limit the authority of the agency head to terminate the membership of any individual in an Executive Reserve unit at any time.

b. In order to insure maximum survivability, members of the Executive Reserve units shall be drawn, as appropriate, from all geographical areas and from all segments of the economy. Executive Reservists shall be persons qualified to carry out executive responsibilities in time of national emergency.

c. Each agency shall be responsible for maintaining up-to-date records and files on its Executive Reservists. A centralized register of Reserve members will be maintained by the Civil Service Commission.

6. *Security clearance.* The degree of security clearance necessary for each Reservist shall be determined by the agency involved in accordance with existing security standards. The designation of Executive Reservists shall be withheld until such security clearance is obtained.

7. *Conflict of interest.* Executive Reservists, whose activities are limited to reserve training for possible emergency mobilization, cannot be considered to be officers or employees of the United States within the meaning of sections 203, 205, 207, 208 and 209 of title 18 of the United States Code. Executive Reservists' training within the meaning of this section does not include advising, consulting or acting on any matter pending before any agency. Executive Reservists to be engaged in these latter activities shall be appointed by the agency involved as temporary or intermittent employees under appropriate statutory authority. With respect to such employment, such Federal employees are subject to the conflict-of-interest statutes.

8. *Interagency committee.* There shall be established and maintained an Interagency National Defense Executive Reserve Committee to advise the OEP Director and the agency heads on the coordination of the Executive Reserve program. Members of the committee shall be designated by the heads of agencies with Executive Reserve units. The OEP Director shall appoint the Chairman.

9. *Effective date.* This order is effective the date of issuance.

Dated: February 4, 1965.

FRANKLIN B. DRYDEN,
*Acting Director,*
*Office of Emergency Planning.*

20. Defense Mobilization Activities

3. Defense Mobilization

# 13. NATIONAL RESOURCE EVALUATION CENTER

[OEP Circular 6500.1] [1]

1. *Purpose*

This Circular formalizes the program of the National Resource Evaluation Center, which is established in the Office of Emergency Planning. A primary purpose of this program is to develop information and analytical capabilities needed to enable all agencies of the Federal Government to meet the emergency preparedness tasks assigned to them.

Authority and responsibility for the programs and assignments of the National Resource Evaluation Center are set forth in Section 205 of E. O. 11051,[2] which states that:

> "The Director [of OEP] shall maintain, with the participation and support of Federal Agencies concerned, a national resource evaluation capability for predicting and monitoring the status of resources under all degrees of emergency, for identifying resource deficiencies and feasible production programs and for supplying resource evaluations at national and subordinate levels to support mobilization base planning, continuity of government, resource management and economic recovery."

In keeping with this directive, NREC receives the resource evaluation "data and assistance" and the "appropriate participation" variously required of the several Executive Departments and Agencies in the emergency preparedness executive order provisions cited below under *References* (see paragraph 9).

2. *Cancellation*

Defense Mobilization Order I-26 dated November 22, 1957, as supplemented by OCDM Bulletin No. 22, dated October 17, 1960, is hereby cancelled.

3. *Composition of NREC*

Although established within the Office of Emergency Planning in the Executive Office of the President, the National Resource Evaluation Center is an interagency activity. It provides service to many departments and agencies. It receives analytical support from many departments and agencies. It is headed by a Chief, a Deputy Chief and a management staff provided by OEP. It includes agency staff assistance

[1] This Circular not printed in Federal Register.
[2] See 20-3.1.

and representation provided by the departments and agencies as described below in paragraph 6.

4. *Mission and Functions of NREC*

The mission of NREC is to develop and coordinate national resource evaluation programs to the end that the purposes stated above in paragraph 1 may best be realized. The NREC mission does not include policy or decision making with reference to resource management. Nor does it include the management of resources. It does include development of as much of the information and analyses needed for national decisions concerning production goals and programs as can be most economically and effectively developed centrally by an interagency activity. Fulfillment of this mission requires the performance of certain peace-time and post-attack services as follows:

a. *Peace-time*

(1) Provide a comprehensive information and analytical base to aid in the formulation and evaluation of resource management and economic policy, the development of operational concepts for continuity of government and its emergency preparedness.

(2) Develop and maintain, in its own and in supplementary facilities, a capability to provide Federal departments and agencies having emergency responsibilities with national resource evaluations (including estimates of resource status) and studies needed for emergency planning and preparedness.

(3) Develop and operate analytical systems for estimating feasible production programs within limits of currently available resources as a base, and applicable alternatively to conditions of international tension, limited war, and hypothetical post-attack environments.

(4) Guide and assist other Federal departments and agencies, and OEP Regional Offices in the development and application of automated and manual techniques for resource evaluation and for the rapid exchange of such information.

(5) Develop by exercise and other appropriate measures the proficiency in the performance of the foregoing functions required to provide adequate assurance of an effective performance of the prescribed post-attack functions in the event of actual attack.

(6) In collaboration with appropriate elements of the Department of Defense, develop estimates of the probability of nuclear attack hazards at appropriate points taken both individually and collectively, and to prepare studies based on these estimates for use in resource management, government continuity, and other emergency planning.

(7) In collaboration with other elements of OEP and other Federal Departments and Agencies, estimate the impacts of various current or proposed domestic and national security programs of the United States and major allied governments, on the mobilization base, on mobilization preparedness and on related national security problems.

(8) Work with other elements of OEP and other Federal Departments and Agencies in determining the technical resource data and factor information required to perform the functions outlined above and in designing and monitoring broad programs for development and maintenance of required resource data, information concerning interindustry relationships, and other factors which facilitate estimation of resource requirements and supplies.

(9) Develop the mathematical formulations, the computer programs and the data handling procedures and procure, operate and maintain the equipment required to perform the functions outlined above.

(10) Develop and make available to Federal Departments and Agencies information and instructions concerning the availability and practical application of the products, analyses, and information resulting from the performance of the functions outlined above, in such non-technical language as to facilitate the maximum utilization of such products of NREC by administrative and non-technical planning personnel in each Federal Department and Agency.

(11) Assist participating Federal Departments and Agencies in making special studies and evaluations to meet individual department and agency emergency planning requirements.

b. *Post-attack*

(1) Develop estimates of the immediate post-attack status of resources, revise these estimates as better data are acquired and as conditions change, and distribute the estimates to appropriate Federal Departments and Agencies.

(2) Provide computational and analytical support for development of feasible national production programs which are most responsive to national objectives.

(3) Provide estimates of the industrial and other economic impacts of proposed actions which affect national recovery.

5. *Performance Capability*

Implementation of the responsibilities allotted to the National Resource Evaluation Center in both peace-time and post-attack circumstances requires that the NREC maintain a capability to discharge its

functions at a relatively safe location, linked by communication facilities adequate for two-way exchange of necessary information with principal relocation facilities of all Federal Departments and Agencies, with selected major subordinate elements thereof, with other computational facilities, and with OEP Regional Offices. NREC is also required to develop, maintain, and test arrangements for alternate and supplementary use of other computation facilities in discharging its responsibilities.

6. *Participation of Departments and Agencies*

a. *Basis of participation.* Representation in and support for the NREC are provided by Federal Departments and Agencies as a part of their general responsibilities for emergency preparedness or in accordance with their particular responsibility assignment in the emergency-preparedness executive orders cited below in paragraph 9, *References.*

b. *Nature of participation.* Pursuant to these responsibilities each Federal Department and Agency participates as follows:

(1) Provides qualified personnel participation determined mutually by the agency involved and the Office of Emergency Planning to be necessary and appropriate as (a) the Agency representation to the National Resource Evaluation Center and (b) specialist personnel for the NREC staff.

(2) Provides the NREC with data required for national resource evaluation programs in consonance with the provisions of the Executive Orders referenced in paragraph 9 and with Section 504 of Executive Order 11051 which states that: "The Director is authorized to require from Federal Agencies such statistical data and progress reports at such intervals as he deems necessary to discharge his responsibilities under this order."

(3) Establishes resource evaluation and emergency management procedures in its own areas of special interest, competence and responsibility and develops requirements for NREC services in support thereof.

c. *Duties of Agency Representatives.* The duties of personnel assigned the responsibility of Agency representation to the National Resource Evaluation Center are outlined below. These responsibilities are all equally applicable to peace-time and post-attack circumstances except as otherwise explicitly stated:

(1) *Liaison.* Provision of liaison between the NREC and their respective agencies to enable NREC to provide maximum support for Agency emergency planning or management activities.

(2) *Data.* Coordination of the development and maintenance of appropriate resource and technical data by their respective agencies and its transmission to NREC.

(3) *Analysis.* Participation in NREC resource evaluation studies and related analytical activities, and in peace-time developmental projects, training programs, and readiness exercises.

(4) *Management.* Participation as appropriate in the planning, management and supervision of the NREC projects and operations.

d. *Post-attack Surveys by Bureau of the Census.*

Consonant with its obligation to provide data for emergency planning purposes as specified in Section 8 of E. O. 10999, the Department of Commerce, Bureau of the Census, plans, creates and maintains a capability for the conduct of post-attack surveys to provide information on the status of surviving populations and resources as required for the programs of the National Resource Evaluation Center.

7. *Independent Studies*

There is no constraint in the provisions for the nationl resource evaluation programs which precludes any department or agency from making independent resource evaluation studies as required for emergency planning and operations consistent with individual agency responsibilities. Furthermore, such studies may utilize appropriate data and techniques developed for use in the national resource evaluation programs, subject to established security or proprietary restrictions.

8. *Coordination with Related Department of Defense Activities.*

The many important requirements for the planning, development, collection, maintenance, processing, transmission, study, and evaluation of data and the preparation of reports as well as the mathematical models and computer programs used in connection with the prosecution of assigned functions entails extensive areas of common specifications among the National Military Command System Support Center of the Defense Communications Agency, the National Resource Evaluation Center of the Office of Emergency Planning, and the Plans and Programs Directorate of the Office of Civil Defense. Pursuant to recommendations of the Bureau of the Budget in its study of the computer requirements of these analysis centers the *NMCSSC/DCA-NREC/OEP-P&P/OCD Liaison Group* was established, the purpose of which is to:

a. Maximize compatability among the systems and procedures of its member agencies.

b. Minimize duplication in functions performed by its member agencies.

c. Minimize duplication in data acquisition and computer program development by its member agencies.

d. Maximize interchange of productive results of the operations of its member agencies, both pre- and post-attack.

9. *References*

The pertinent references to the support of the National Resource Evaluation Center in the emergency preparedness Executive Orders for the Federal Departments and Agencies are cited below. The full text of these executive orders is given in the OEP publication: *Executive Orders Prescribing Emergency Preparedness Responsibilities of the Federal Government.*

| *Department or Agency* | *E.O. No.* | *Reference* |
|---|---|---|
| 1. Interior | 10997 | Sec. 3(c) |
| 2. Agriculture | 10998 | Sec. 3(a) |
| 3. Commerce | 10999 | Sec. 4(b) |
| 4. Labor | 11000 | Sec. 2(d) |
| 5. Health, Education & Welfare | 11001 | Sec. 7 |
| 6. Federal Aviation Agency | 11003 | Sec. 2(d) |
| 7. Housing & Home Finance Agency | 11004 [1] | Sec. 2(c) |
| 8. Interstate Commerce Commission | 11005 | Sec. 3(b) |
| 9. State | 11087 | Sec. 4 |
| 10. Treasury | 11088 | Sec. 3 |
| 11. Atomic Energy Commission | 11089 | Sec. 3 |
| 12. Civil Aeronautics Board | 11090 | Sec. 3(f) |
| 13. Civil Service Commission | 11091 | Sec. 2(p) |
| 14. Federal Communications Commission | 11092 | Sec. 3(e) |
| 15. General Services Administration | 11093 | Sec. 8 |
| 16. Export-Import Bank of Washington | 11094 | Sec. 12 |
| 17. Farm Credit Administration | 11094 | Sec. 12 |
| 18. Federal Deposit Insurance Corporation | 11094 | Sec. 12 |
| 19. Federal Home Loan Bank Board | 11094 | Sec. 12 |
| 20. Federal Reserve System | 11094 | Sec. 12 |
| 21. Securities and Exchange Commission | 11094 | Sec. 12 |
| 22. Small Business Administration | 11094 | Sec. 12 |
| 23. Veterans Administration | 11094 | Sec. 12 |
| 24. Federal Power Commission | 11095 | Sec. 9 |
| 25. National Aeronautics & Space Adm. | 11095 | Sec. 9 |
| 26. National Science Foundation | 11095 | Sec. 9 |
| 27. Railroad Retirement Board | 11095 | Sec. 9 |
| 28. Tennessee Valley Authority | 11095 | Sec. 9 |

10. *Effective Date.* This Circular is effective the date of issuance.[2]

Edward A. McDermott
Director

[1] See 20-3.7.
[2] January 17, 1964.

20. Defense Mobilization Activities

3. Defense Mobilization

# 14. FEDERAL CIVIL DEFENSE ACT OF 1950, AS AMENDED

[Public Law 920,[1] 81st Congress, 64 Stat. 1246, 50 U.S.C. App. 2251]

## AN ACT

To authorize a Federal civil defense program, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Federal Civil Defense Act of 1950".

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[1] Amended by Public Law 268, 82d Congress, approved March 5, 1952, 66 Stat. 13; Public Law 412, 82d Congress, approved June 25, 1952, 66 Stat. 158; Public Law 383, 83d Congress, approved June 3, 1954, 68 Stat. 170; Public Law 94, 84th Congress, approved June 28, 1955, 69 Stat. 180; Public Law 854, 84th Congress, approved July 31, 1956, 70 Stat. 736; Public Law 928, 84th Congress, approved August 2, 1956, 70 Stat. 949; Public Law 85-514, approved July 11, 1958, 72 Stat. 356; Public Law 85-606, approved August 8, 1958, 72 Stat. 532 and Public Law 87-501, approved June 27, 1962, 76 Stat. 111.

Reorganization Plan No. 1 of 1958, effective July 1, 1958, 23 Fed. Reg. 4991, transferred the functions of the Federal Civil Defense Administration and Administrator to the President of the United States, and the Federal Civil Defense Administration was consolidated with the Office of Defense Mobilization to form the Office of Defense and Civilian Mobilization. By Executive Order 10773, effective July 1, 1958, 23 Fed. Reg. 5061, the President delegated to the Director of the Office of Defense and Civilian Mobilization all functions transferred to the President by Reorganization Plan No. 1 of 1958. Public Law 85-763, approved August 26, 1958, 72 Stat. 861, amended Reorganization Plan No. 1 of 1958 by changing the name of the Office of Defense and Civilian Mobilization to the Office of Civil and Defense Mobilization. Executive Order 10782, effective Sept. 6, 1958, 23 Fed. Reg. 6971, amended Executive Order 10773 by changing references therein to the Office of Defense and Civilian Mobilization to the Office of Civil and Defense Mobilization. Public Law 87-296, approved Sept. 22, 1961, 75 Stat. 630, further amended Reorganization Plan No. 1 of 1958 by changing the name of the Office of Civil and Defense Mobilization to the Office of Emergency Planning. Executive Order 11051, effective Sept. 27, 1962, 27 Fed. Reg. 9683, revoked Executive Orders 10773 and 10782 to the extent that such orders have become inapplicable. See 20-3.1.

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## DECLARATION OF POLICY

SEC. 2.[1] It is the sense of the Congress that the defense of the United States, in this thermonuclear age, can best be accomplished by enacting into law the measures set forth in this Act. It is the policy and intent of Congress to provide a system of civil defense for the protection of life and property in the United States from attack. It is further declared to be the policy and intent of the Congress that the responsibility for civil defense shall be vested jointly in the Federal Government and the several States and their political subdivisions. The Federal Government shall provide necessary direction, coordination, and guidance; shall be responsible for the operation of the Federal Civil Defense Administration as set forth in this Act; and shall provide necessary assistance as herein authorized.

### DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "attack" means any attack or series of attacks by an enemy of the United States causing, or which may cause, substantial damage or injury to civilian property or persons in the United States in any manner by sabotage or by the use of bombs, shellfire, or atomic, radiological, chemical, bacteriological, or biological means or other weapons or processes;

(b) The term "civil defense" means all those activities and measures designed or undertaken (1) to minimize the effects upon the civilian population caused or which would be caused by an attack upon the United States, (2) to deal with the immediate emergency conditions

[1] This section amended to read as set forth in the text by Public Law 85-606, approved August 8, 1958, 72 Stat. 532.

which would be created by any such attack, and (3) to effectuate emergency repairs to, or the emergency restoration of, vital utilities and facilities destroyed or damaged by any such attack. Such term shall include, but shall not be limited to, (A) measures to be taken in preparation for anticipated attack (including the establishment of appropriate organizations, operational plans, and supporting agreements; the recruitment and training of personnel; the conduct of research; the procurement and stockpiling of necessary materials and supplies; the provision of suitable warning systems; the construction or preparation of shelters, shelter areas, and control centers; and, when appropriate, the non-military evacuation of civil population); (B) measures to be taken during attack (including the enforcement of passive defense regulations prescribed by duly established military or civil authorities; the evacuation of personnel to shelter areas; the control of traffic and panic; and the control and use of lighting and civil communications); and (C) measures to be taken following attack (including activities for fire fighting; rescue, emergency medical, health and sanitation services; monitoring for specific hazards of special weapons; unexploded bomb reconnaissance; essential debris clearance; emergency welfare measures; and immediately essential emergency repair or restoration of damaged vital facilities);

(c) The term "organizational equipment" means equipment determined by the Administrator to be (1) necessary to a civil defense organization, as distinguished from personal equipment, and (2) of such a type or nature as to require it to be financed in whole or in part by the Federal Government. It shall not be construed to include those items which the local community normally utilizes in combating local disasters except when required in unusual quantities dictated by the requirements of the civil defense plans;

(d) The word "materials" shall include raw materials, supplies, medicines, equipment, component parts and technical information and processes necessary for civil defense;

(e) The word "facilities", except as otherwise provided in this Act, shall include buildings, shelters, utilities, and land;

(f) The term "United States" or "States" shall include the several States, the District of Columbia, the Territories, and the possessions of the United States; and

(g) The term "neighboring countries" shall include Canada and Mexico.

## TITLE I—ORGANIZATION

### FEDERAL CIVIL DEFENSE ADMINISTRATION [1]

SEC. 101. (a) There is hereby established in the executive branch of the Government a Federal Civil Defense Administration (hereinafter referred to as the "Administration") at the head of which shall

[1] The Federal Civil Defense Administration and the Office of Defense Mobilization were consolidated to form the agency now known as the Office of Emergency Planning. See introductory footnote at the beginning of the text of this Act.

be a Federal Civil Defense Administrator appointed from civilian life by the President, by and with the advice and consent of the Senate. The Federal Civil Defense Administrator (hereinafter referred to as the "Administrator") shall receive compensation at the rate of $17,500 per year.

(b) There shall be in the Administration a Deputy Administrator who shall be appoined from civilian life by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of $16,000 per year. The Deputy Administrator shall perform such functions as the Administrator shall prescribe and shall act for, and exercise the powers and perform the duties of, the Administrator during his absence or disability.

(c) The Administrator shall perform his functions subject to the direction and control of the President.

CIVIL DEFENSE ADVISORY COUNCIL [1]

SEC. 102. (a) There is hereby created a Civil Defense Advisory Council, hereinafter referred to as the Council, which shall advise and consult with the Administrator with respect to general or basic policy matters relating to civil defense. The Council shall consist of the Administrator, who shall be chairman, and twelve additional members to be appointed by the President, of whom three members shall be representative of the State governments, three members shall be representative of the political subdivisions of the States and the remaining members shall be selected among the citizens of the United States of broad and varied experience in matters affecting the public interest, other than officers and employees of the United States (including any department or agency of the United States) who, as such, regularly receive compensation for current services. The following organizations shall be invited to establish panels of names for the members representative of the States and the political subdivisions thereof:

The Council of State Governments.

The Governor's Conference.

The American Municipal Association.

The United States Conference of Mayors.

The representatives of the States and the political subdivisions thereof appointed by the President shall be selected from the panels established by the above-mentioned organizations. Not more than a majority of two of the members shall be appointed to the Council from

[1] The Civil Defense Advisory Council, together with its functions, were transferred to the Office of Defense and Civilian Mobilization by Reorganization Plan No. 1 of 1958, effective July 1, 1958, 23 Fed. Reg. 4991. All other functions of the Federal Civil Defense Administrator and the Federal Civil Defense Administration under the Federal Civil Defense Act of 1950, as amended, were vested in the President under the Reorganization Plan. Public Law 85-763, approved August 26, 1958, 72 Stat. 861, changed the name of the Office of Defense and Civilian Mobilization to the Office of Civil and Defense Mobilization. Public Law 87-296, approved September 22, 1961, 75 Stat. 630, changed the name of that agency to the Office of Emergency Planning.

the same political party. Each member shall hold office for a term of three years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term; and (2) the terms of office of the members first taking office after the date of the enactment of this Act shall expire, as designated by the President at the time of appointment, four at the end of one year, four at the end of two years and four at the end of three years, after the date of the enactment of this Act. The Council shall meet at least once in each calendar year and at such other times as the Administrator shall determine that its advice and counsel will be of assistance to the program.

(b) The Administrator may appoint such other advisory committees as are deemed necessary.

(c) The members of the Council and the members of any other advisory committees, other than the Administrator, may be compensated at rates not in excess of those prescribed in section 401 (b) of this Act.

## TITLE II—POWERS AND DUTIES

### DETAILED FUNCTIONS OF ADMINISTRATION

SEC. 201. The Administrator is authorized, in order to carry out the above-mentioned purposes, to—

(a) prepare national plans and programs for the civil defense of the United States, making such use of plans and programs previously initiated by the National Security Resources Board as is feasible; sponsor and direct such plans and programs; and request such reports on State plans and operations for civil defense as may be necessary to keep the President, the Congress and the several States advised of the status of civil defense in the United States;

(b) delegate, with the approval of the President, to the several departments and agencies of the Federal Government appropriate civil defense responsibilities, and review and coordinate the civil defense activities of the departments and agencies with each other and with the activities of the States and neighboring countries;

(c) make appropriate provision for necessary civil defense communications and for dissemination of warnings of enemy attacks to the civilian population;

(d) study and develop civil defense measures designed to afford adequate protection of life and property, including, but not limited to, research and studies as to the best methods of treating the effects of attacks; developing shelter designs and materials for protective covering or construction; and developing equipment or facilities and effecting the standardization thereof to meet civil defense requirements;

(e) conduct or arrange, by contract or otherwise, for training programs for the instruction of civil defense officials and other persons in the organization, operation, and techniques of civil defense; conduct or operate schools or classes, including the payment [1] of travel expenses, in accordance with the Travel Expenses Act of 1949, as amended, and the Standardized Government Travel Regulations, and per diem allowances, in lieu of subsistence for trainees in attendance or the furnishing of subsistence and quarters for trainees and instructors on terms prescribed by the Administrator; and provide instructors and training aids as deemed necessary: *Provided,*[2] That the terms prescribed by the Administrator for the payment of travel expenses and per diem allowances authorized by this subsection shall include a provision that such payment shall not exceed one-half of the total cost of such expenses: *Provided further,* That the authority to pay travel and per diem expenses of students as authorized by this subsection shall terminate on June 30, 1968: [3] *Provided further,*[4] That not more than one national civil defense college and three civil defense technical training schools shall be established under the authority of this subsection: *Provided further,* That the Administrator is authorized to lease real property required for the purpose of carrying out the provisions of this subsection, but shall not acquire fee title to property unless specifically authorized by Act of Congress; [5]

(f) publicly disseminate appropriate civil defense information by all appropriate means;

(g) assist and encourage the States to negotiate and enter into interstate civil defense compacts; review the terms and conditions of such proposed compacts in order to assist to the extent feasible in obtaining uniformity therein and consistency with the national civil defense plans and programs; assist and coordinate the activities thereunder; aid and assist in encouraging reciprocal civil defense legislation by the States which will permit the furnishing of mutual aid for civil defense purposes in the event of an attack which cannot be adequately met or controlled by a State or political subdivision thereof threatened with or undergoing an attack: *Provided,* That a copy of each such civil defense compact shall be transmitted promptly to the Senate and the House of Representatives. The consent of the Congress shall be granted

[1] Public Law 928, 84th Congress, approved August 2, 1956, 70 Stat. 949, amended subsection (e) to authorize the Administrator of the Federal Civil Defense Administration to pay travel expenses and per diem allowances in lieu of subsistence for trainees in attendance or the furnishing of subsistence and quarters for trainees and instructors. Section 2 of the same Act authorized the appropriation of not to exceed $100,000 annually for these purposes. Section 6 of Public Law 85-606, approved August 8, 1958, 72 Stat. 532, 534, increased the foregoing appropriation to not to exceed $300,000 annually.

[2] Section 3(a) of Public Law 85-606, approved August 8, 1958, 72 Stat. 532, inserted this proviso and the proviso that immediately followed.

[3] Public Law 88-335, approved June 30, 1964, 78 Stat. 231, substituted "June 30, 1968" for "June 30, 1964".

[4] Section 3(a) of Public Law 85-606, approved August 8, 1958, 72 Stat. 532, substituted "Provided further," for "Provided,".

[5] Public Law 412, 82d Congress, approved June 25, 1952, 66 Stat. 158, gave the Administrator of the Federal Civil Defense Administration the authority to lease real property but not to acquire fee title under either subsection (e) or (h) unless specifically authorized by Congress.

to each such compact, upon the expiration of the first period of sixty calendar days of continuous session of the Congress following the date on which the compact is transmitted to it; but only if, between the date of transmittal and expiration of such sixty-day period, there has not been passed a concurrent resolution stating in substance that the Congress does not approve the compact: *Provided,* That nothing in this subsection shall be construed as preventing Congress from withdrawing at any time its consent to any such compact;

(h) procure by condemnation or otherwise, construct, lease, transport, store, maintain, renovate or distribute materials and facilities for civil defense, with the right to take immediate possesesion thereof: *Provided,* That facilities acquired by purchase, donation, or other means of transfer may be occupied, used, and improved for the purposes of this Act, prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended (40 U. S. C. 255): *Provided further,* That the Administrator shall report not less often than quarterly to the Congress all property acquisitions made pursuant to this subsection: *Provided further,*[1] That the Administrator is authorized to lease real property required for the purpose of carrying out the provisions of this subsection, but shall not acquire fee title to property unless specifically authorized by Act of Congress: *Provided further,*[2] That until June 30, 1968, the Administrator is authorized to procure and maintain under this subsection radiological instruments and detection devices, protective masks, and gas detection kits, and distribute the same by loan or grant to the States for civil defense purposes, under such terms and conditions as the Administrator shall prescribe.

(i) make financial contributions, on the basis of programs or projects approved by the Administrator, to the States for civil defense purposes, including, but not limited to the, procurement, construction, leasing, or renovating of materials and facilities. Such contributions shall be made on such terms or conditions as the Administrator shall prescribe, including, but not limited to, the method of purchase, the quantity, quality, or specifications of the materials or facilities, and such other factors or care or treatment to assure the uniformity, availability, and good condition of such materials or facilities: *Provided,* That no contributions shall be made for the procurement of land: *Provided further,* That after June 30, 1964, no contribution shall be made for the purchase of personal equipment for State or local civil defense workers: *Provided further,* That the amounts authorized to be contributed by the Administrator to each State for organizational equipment shall be equally matched by such State from any source

[1] Public Law 412, 82d Congress, approved June 25, 1952, 66 Stat. 158, gave the Administrator of the Federal Civil Defense Administration the authority to lease real property but not to acquire fee title under either subsection (e) or (h) unless specifically authorized by Congress.

[2] Section 3(b) of Public Law 85-606, approved August 8, 1958, 72 Stat. 532, added this proviso, except that Public Law 88-335, approved June 30, 1964, 78 Stat. 231, substituted "June 30, 1968" for "June 30, 1964".

it determines is consistent with its laws: *Provided further,* That financial contributions to the States for shelters and other protective facilities shall be determined by taking the amount of funds appropriated or available to the Administrator for such facilities in each fiscal year and apportioning same among the States in the ratio which the urban population of the critical target areas (as determined by the Administrator, after consultation with the Secretary of Defense) in each State, at the time of the determination, bears to the total urban population of the critical target areas of all of the States: *Provided further,* That the amounts authorized to be contributed by the Administrator to each State for such shelters and protective facilities shall be equally matched by such State from any source it determines is consistent with its laws and, if not matched within a reasonable time, the Administrator may reallocate same to other States on the formula outlined above: *Provided further,* That the value of any land contributed by any State or political subdivision thereof shall be excluded from the computation of the State share: *Provided further,* That the amounts paid to any State under this subsection shall be expended solely in carrying out the purposes set forth herein and in accordance with State civil defense programs or projects approved by the Administrator: *Provided further,* That the Administrator shall make no contribution toward the cost of any program or project for the procurement, construction, or leasing of any facility which (1) is intended for use, in whole or in part, for any purpose other than civil defense and (2) is of such kind that upon completion it will, in his judgment, be capable of producing sufficient revenue to provide reasonable assurance of the retirement or repayment of such cost, except that (subject to the foregoing provisos of this subsection) he may make contribution to any State toward that portion of the cost of the construction, reconstruction, or enlargement of any facility which he shall determine to be directly attributable to the incorporation in such facility of any feature of construction or design not necessary for the principal intended purpose thereof but which is, in his judgment, necessary for the use of such facility for civil defense purposes: *Provided,* That the Administrator shall report not less often than quarterly to the Congress all contributions made pursuant to this subsection: *Provided further,* That all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed with the assistance of any contribution of Federal funds made by the Administrator under the provisions of this section shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U. S. C. 276a-276a-5), and every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours

worked in any workweek in excess of eight hours in any workday or forty hours in the workweek, as the case may be. The Administrator shall make no contribution of Federal funds without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this proviso, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F. R. 3176, 64 Stat. 1267, 5 U. S. C. 133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U. S. C. 276 (c)).

(j) arrange for the sale or disposal of materials and facilities found by the Administrator to be unnecessary or unsuitable for civil defense purposes in the same manner as provided for excess property in the Federal Property and Administrative Services Act of 1949, as amended, and any funds received as proceeds from the sale or other disposition of such materials and facilities shall be covered into the Treasury as miscellaneous receipts.

RELATION OF DEFENSE PRODUCTION ACT OF 1950 TO CIVIL DEFENSE

SEC. 202. The terms "national defense" or "defense" as used in title II of the Defense Production Act of 1950 shall be construed to include "civil defense" as defined in this Act.

MUTUAL AID PACTS BETWEEN SEVERAL STATES AND NEIGHBORING COUNTRIES

SEC. 203. The Administrator shall give all practicable assistance to States in arranging, through the Department of State, mutual civil defense aid between the States and neighboring countries.

IDENTITY INSIGNIA

SEC. 204. The Administrator may prescribe insignia, arm bands, and other distinctive articles (including designs previously covered under Letters Patent which were assigned to the United States and held by the Office of Civilian Defense created by Executive Order Numbered 8757 issued May 20, 1941) which may be manufactured for or possessed or worn by persons engaged in civil defense activities pursuant to rules and regulations for the manufacture, possession, or wearing thereof established by the Administrator. The manufacture, possession, or wearing of any such insignia, arm band, or other distinctive article otherwise than in accordance with such rules and regulations shall be unlawful and shall subject such person to a fine of not more than $1,000 or imprisonment of not more than one year, or both.

SEC. 205.[1] To further assist in carrying out the purposes of this Act, the Administrator is authorized to make financial contributions to the States (including interstate civil defense authorities established pursuant to section 201 (g) of this Act) for necessary and essential State

[1] Section 205 was added by sec. 4 of Public Law 85-606, approved August 8, 1958, 72 Stat. 533.

and local civil defense personnel and administrative expenses, on the basis of approved plans (which shall be consistent with the national plan for civil defense approved by the Administrator) for the civil defense of the States: *Provided,* That the financial contributions to the States for the purposes of this section shall not exceed one-half of the total cost of such necessary and essential State and local civil defense personnel and administrative expenses.

(a) Plans submitted under this section shall

(1) provide, pursuant to State law, that the plan shall be in effect in all political subdivisions of the State and be mandatory on them, and be administered or supervised by a single State agency;

(2) provide that the State shall share the financial assistance with that provided by the Federal Government under this section from any source determined by it to be consistent with State law;

(3) provide for the development of State and local civil defense operational plans, pursuant to standards approved by the Administrator;

(4) provide for the employment of a full-time civil defense director, or deputy director, by the State, and for such other methods of administration, including methods relating to the establishment and maintenance of personnel standards on the merit basis (except that the Administrator shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as the Administrator shall find to be necessary and proper for the operation of the plan;

(5) provide that the State shall make such reports in such form and content as the Administrator may require;

(6) make available to duly authorized representatives of the Administrator and the Comptroller General, books, records, and papers necessary to conduct audits for the purposes of this section.

(b) The Administrator shall establish such other terms and conditions as he may deem necessary and proper.

(c) In carrying out the provisions of this section, the provisions of section 201 (g) and 401 (h) of this Act shall apply.

(d) For each fiscal year concerned, the Administrator shall allocate to each State, in accordance with his regulations and the total sum appropriated hereunder, amounts to be made available to the States for the purposes of this section. Regulations governing allocations to the States shall give due regard to (1) the criticality of the target and support areas with respect to the development of the total civil defense readiness of the Nation, (2) the relative state of development of civil defense readiness of the State, (3) population, and (4) such other

factors as the Administrator shall prescribe: *Provided,* That the Administrator may reallocate the excess of any allocation not utilized by a State in an approvable plan submitted hereunder: *Provided further,* That amounts paid to any State or political subdivision under this section shall be expended solely for the purposes set forth herein;

(e) In the event a State fails to submit an approvable plan as required by this section within sixty days after the Administrator notifies the States of the allocations hereunder, the Administrator may reallocate such funds, or portions thereof, among the other States in such amounts as, in his judgment will best assure the adequate development of the civil defense capability of the Nation.

(f) The Administrator shall report annually to the Congress all contributions made pursuant to this section.

(g) As used in this Act, the term "State" shall include interstate civil defense authorities established under section 201 (g).

(h) The provisions of this section terminate on June 30, 1968.[1]

## TITLE III—EMERGENCY AUTHORITY

### NATIONAL EMERGENCY FOR CIVIL DEFENSE PURPOSES

SEC. 301. The provisions of this title shall be operative only during the existence of a state of civil defense emergency (referred to hereinafter in this title as "emergency"). The existence of such emergency may be proclaimed by the President or by concurrent resolution of the Congress if the President in such proclamation, or the Congress in such resolution, finds that an attack upon the United States has occurred or is anticipated and that the national safety therefor requires an invocation of the provisions of this title. Such emergency also shall exist with respect to any designated geographic area or areas of the United States when the President determines that any such attack has been made upon or is anticipated within such area or areas, and directs the Administrator to proceed pursuant to the provisions of this title with respect to such area or areas. Any such emergency shall terminate upon the proclamation of the termination thereof by the President, or the passage by the Congress of a concurrent resolution terminating such emergency.

### UTILIZATION OF FEDERAL DEPARTMENTS AND AGENCIES

SEC. 302. During the period of such emergency, under such terms and conditions as to donation, compensation, or return as may be prescribed, and solely for civil defense purposes, the President may direct, after taking into consideration the military requirements of the Department of Defense, any Federal department or agency to provide, and such departments and agencies are hereby authorized to provide—

(a) their personnel, materials, and facilities to the Administrator for the aid of the States;

[1] Public Law 88-335, approved June 30, 1964, 78 Stat. 231, substituted "June 30, 1968" for "June 30, 1964".

(b) emergency shelter by construction or otherwise; and

(c) on public or private lands, protective and other work essential for the preservation of life and property, for clearing debris and wreckage, and for making emergency repairs to, and temporary replacement of, communications, hospitals, utilities, transportation facilities, or public facilities of States or their political subdivisions damaged or destroyed by attack.

EMERGENCY POWERS

SEC. 303. During the period of such emergency, the Administrator is authorized to—

(a) exercise the authority contained in section 201 (h) without regard to the limitation of any existing law, including the provisions of the Act of June 30, 1932, as amended (40 U. S. C. 278a), and section 3709 of the Revised Statutes, as amended (41 U. S. C. 5), and section 3734 of the Revised Statutes, as amended (40 U. S. C. 259 and 267), and the Federal Property and Administrative Services Act of 1949, as amended;

(b) sell, lease, lend, transfer, or deliver materials or perform services for civil defense purposes on such terms and conditions as the Administrator shall prescribe and without regard to the limitations of existing law: *Provided,* That any funds received from the sale or other disposition of materials or for services shall be deposited to the credit of appropriations currently available and made pursuant to this Act and shall be available for expenditure for the purposes of such appropriations;

(c) coordinate and direct, for civil defense purposes, the relief activities of the various departments and agencies of the United States as provided in section 302 hereof;

(d) reimburse any State, including any political subdivisions thereof, for the compensation paid to and the transportation, subsistence, and maintenance expenses of any employees while engaged in rendering civil defense aid outside the State and to pay fair and reasonable compensation for the materials of the State government or any political subdivision utilized or consumed outside of the State, including any transportation costs, in accordance with rules and regulations prescribed by the Administrator. As used in this subsection, the term "employees" shall include full- or part-time paid, volunteer, auxiliary, and civil defense workers subject to the order or control of a State government or any political subdivision thereof, and such employees shall not be deemed by reason of such reimbursement to be employees or appointees of the United States;

(e) provide financial assistance for the temporary relief or aid of any civilian injured or in want as the result of any attack; and

(f) employ temporarily additional personnel without regard

to the civil-service laws and to incur such obligations on behalf of the United States as may be required to meet the civil defense requirements of an attack or of an anticipated attack.

During the period of any such emergency, the Administrator shall transmit quarterly to the Congress a detailed report concerning all action taken pursuant to this section.

IMMUNITY FROM SUIT

SEC. 304. The Federal Government shall not be liable for any damage to property or for any death or personal injury occurring directly or indirectly as a result of the exercise or performance of, or failure to exercise or perform, any function or duty, by any Federal agency or employee of the Government, in carrying out the provisions of this title during the period of such emergency. Nothing contained in this section shall affect the right of any person to receive any benefit or compensation to which he might otherwise be entitled under the Federal Employees' Compensation Act, as amended (5 U. S. C. 751), or any other Act of Congress providing for any pension or retirement.

WAIVER OF ADMINISTRATIVE PROCEDURE ACT

SEC. 305. During the period of such emergency, the functions and duties exercised under this Act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of section 3 thereof.

COMPENSATION FOR NONGOVERNMENTAL PROPERTY ACQUIRED

SEC. 306. (a) Except in the case of property acquired pursuant to section 201 (h) of this Act in conformity with the provisions of the Federal Property and Administrative Services Act of 1949, as amended, or through judicial proceedings for condemnation, the Administrator shall promptly determine the amount of the compensation to be paid for any property (other than that of the Federal Government or any department or agency thereof) or the use thereof acquired pursuant to this Act, but each such determination shall be made as of the time it is acquired in accordance with the provisions for just compensation in the fifth amendment to the Constitution of the United States. If the person entitled to receive the amount so determined by the Administrator as just compensation in unwilling to accept the same as full and complete compensation for such property or the use thereof, he shall be paid promptly 75 per centum of such amount and shall be entitled to recover from the United States, in an action brought in the Court of Claims, or, without regard to whether the amount involved exceeds $10,000, in any district court of the United States, within three years after the date of the Administrator's award, such additional amount, if any, which, when added to the amount so paid to him, shall be just compensation.

(b) Whenever the Administrator determines that any real property acquired by him is no longer needed for the purposes of this Act, he

shall, if the original owner desires the return of the property and pays to the Administrator the fair value thereof, return such property to such owner. In the event the Administrator and the original owner do not agree as to the fair value of such property, the fair value shall be determined by three appraisers, one of whom shall be chosen by the Administrator, one by the original owner, and the third by the first two appraisers; the expenses of such determination shall be paid in equal shares by the Government and the original owner.

(c) Whenever the need for the purposes of this Act of any personal property acquired under this Act shall terminate, the Administrator may dispose of such property on such terms and conditions as he shall deem appropriate, but to the extent feasible and practicable he shall give to the former owner of any property so disposed of an opportunity to reacquire it (1) at its then fair value as determined by the Administrator, or (2) if it is to be disposed of (otherwise than at a public sale of which he shall give reasonable notice) at less than such value, at the highest price any other person is willing to pay therefor: *Provided,* That this opportunity to reacquire need not be given in the case of fungibles or items having a fair value of less than $1,000.

TERMINATION

SEC. 307. The provisions of this title shall terminate on June 30, 1966,[1] or on such earlier date as may be prescribed by concurrent resolution of the Congress.

## TITLE IV—GENERAL PROVISIONS

ADMINISTRATIVE AUTHORITY

SEC. 401. For the purpose of carrying out his powers and duties under this Act, the Administrator is authorized to—

(a) employ civilian personnel for duty in the United States, including the District of Columbia, or elsewhere, subject to the civil-service laws, and to fix the compensation of such personnel in accordance with the Classification Act of 1949, as amended; and, notwithstanding the provisions of any other law, except those imposing restrictions upon dual compensation, employ, in a civilian capacity, with the approval of the President, not to exceed twenty-five retired personnel of the armed services on a full- or part-time basis without loss or reduction of or prejudice to their retired status;

(b) employ not more than one hundred such part-time or temporary advisory personnel (including not to exceed twenty-five subjects of the United Kingdom and the Dominion of Canada) as are deemed necessary in carrying out the provisions of this Act. Persons holding other offices or positions under the United States for which they receive compensation, while serving as members of such committees, shall receive no additional compensation for such service.

[1] Public Law 87-501, approved June 27, 1962, 76 Stat. 111, substituted "June 30, 1966" for "June 30, 1962".

Other members of such committees and other part-time or temporary advisory personnel so employed may serve without compensation or may receive compensation at a rate not to exceed $50 for each day of service, as determined by the Administrator;

(c) utilize the services of Federal agencies and, with the consent of any State or local government, accept and utilize the services of State and local civil agencies; establish and utilize such regional and other offices as may be necessary; utilize such voluntary and uncompensated services by individuals or organizations as may from time to time be needed; and authorize the States to establish and organize such individuals and organizations into units to be known collectively as the United States Civil Defense Corps: *Provided,* That the members of such corps shall not be deemed by reason of such membership to be appointees or employees of the United States;

(d) notwithstanding any other provisions of law, accept gifts of supplies, equipment, and facilities; and utilize or distribute same for civil defense purposes in accordance with the provisions of this Act;

(e) reimburse any Federal agency for any of its expenditures or for compensation of its personnel and utilization or consumption of its materials and facilities under this Act to the extent funds are available;

(f) purchase such printing, binding, and blank-book work from public, commercial, or private printing establishments or binderies as he may deem necessary upon orders placed by the Public Printer or upon waivers issued in accordance with section 12 of the Printing Act approved January 12, 1895, as amended; and

(g) prescribe such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act, and. without being relieved of his responsibility therefor, perform any of the powers and duties vested in him through or with the aid of such officials of the Administration as he may designate.

(h)[1] when, after reasonable notice and opportunity for hearing to the State, or other person, he finds that there is a failure to expend funds in accordance with the regulations, terms, and conditions established under this Act for approved civil defense plans, programs, or projects, notify such State or person that further payments will not be made to the State or person from appropriations under this Act (or from funds otherwise available for the purposes of this Act for any approved plan, program, or project with respect to which there is such failure to comply) until the Administrator is satisfied that there will no longer be

[1] Subsection (h) was added by sec. 5 of Public Law 85-606, approved August 8, 1958, 72 Stat. 534.

any such failure. Until he is so satisfied, the Administrator shall either withhold the payment of any financial contribution to such State or person, or limit payments to those programs or projects with respect to which there is substantial compliance with the regulations, terms, and conditions governing plans, programs, or projects hereunder: *Provided*, That person as used in this subsection, means the political subdivision of any State or combination or group thereof; or any interstate civil defense authority established pursuant to subsection 201 (g); or any person, corporation, association, or other entity of any nature whatsoever, including but not limited to, instrumentalities of States and political subdivisions.

EXEMPTION FROM CERTAIN PROHIBITIONS

SEC. 402. The authority granted in subsections 401 (b) and (c) shall be exercised in accordance with regulations of the President who may also provide by regulation for the exemption of persons employed or whose services are utilized under the authority of said subsections from the operation of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U. S. C. 99).

SECURITY REGULATIONS

SEC. 403. (a) The Administrator shall establish such security requirements and safeguards, including restrictions with respect to access to information and property as he deems necessary. No employee of the Administration shall be permitted to have access to information or property with respect to which access restrictions have been established under this section, until it shall have been determined that no information is contained in the files of the Federal Bureau of Investigation or any other investigative agency of the Government indicating that such employee is of questionable loyalty or reliability for security purposes, or if any such information is so disclosed, until the Federal Bureau of Investigation shall have conducted a full field investigation concerning such person and a report thereon shall have been evaluated in writing by the Administrator. No such employee shall occupy any position determined by the Administrator to be of critical importance from the standpoint of national security until a full field investigation concerning such employee shall have been conducted by the Civil Service Commission and a report thereon shall have been evaluated in writing by the Administrator. In the event such full field investigation by the Civil Service Commission develops any data reflecting that such applicant for a position of critical importance is of questionable loyalty or reliability for security purposes, or if the Administrator for any other reason shall deem it to be advisable, such investigation shall be discontinued and a report thereon shall be referred to the Administrator for his evaluation in writing. Thereafter the Administrator may refer the matter to the Federal Bureau of Investigation for the conduct of a full field investigation by such Bureau. The result of such latter investigation by such Bureau shall be furnished to the Administrator for his action.

(b) Each Federal employee of the Administration, except the subjects of the United Kingdom and the Dominion of Canada specified in section 401 (b) of this Act, shall execute the loyalty oath or appointment affidavits prescribed by the Civil Service Commission. Each person other than a Federal employee who is appointed to serve in a State or local organization for civil defense shall before entering upon his duties, take an oath in writing before a person authorized to administer oaths, which oath shall be substantially as follows:

> "I, ————————, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.
>
> "And I do further swear (or affirm) that I do not advocate, nor am I a member or an affiliate of any organization, group, or combination of persons that advocate the overthrow of the Government of the United States by force or violence; and that during such time as I am a member of the (name of civil defense organization), I will not advocate nor become a member or an affiliate of any organization, group, or combination of persons that advocates the overthrow of the Government of the United States by force or violence."

After appointment and qualification for office, the director of civil defense of any State, and any subordinate civil defense officer within such State designated by the director in writing, shall be qualified to administer any such oath within such State under such regulations as the director shall prescribe. Any person who shall be found guilty of having falsely taken such oath shall be punished as provided in 18 U. S. C. 1621.

### TRANSFERS TO ADMINISTRATION [1]

SEC. 404. The functions, property, and personnel of the Federal Civil Defense Administration established by Executive Order Numbered 10186, issued December 1, 1950, are hereby transferred to the Administration established by this Act, and the President may transfer to the Administration such functions, property, and personnel of the

[1] Under Reorganization Plan No. 1 of 1958, effective July 1, 1958, 23 Fed. Reg. 4991, the records, property, personnel and unexpended balances (available, or to become available, of appropriations, allocations, and other funds) of the Federal Civil Defense Administration became the records, property, personnel, and unexpended balances of the Office of Defense and Civilian Mobilization. The name of this new agency was changed to the Office of Civil and Defense Mobilization by Public Law 85-763, approved August 26, 1958, 72 Stat. 861. Section 4 of Executive Order 10952, of July 20, 1961, (see 20-3.15) transferred, subject to applicable law, to the Secretary of Defense such portion of the property, facilities, and personnel of the Office of Civil and Defense Mobilization engaged in the performance of civil defense responsibilities assigned to the Secretary of Defense as agreed upon by the Secretary and the Director, OCDM, and such portion of funds then available for those purposes as approved by the Director of the Bureau of the Budget. The name of the Office of Civil and Defense Mobilization was changed to the Office of Emergency Planning by Public Law 87-296, approved Sept. 22, 1961, 75 Stat. 630. Executive Order 10952 was amended to reflect this change by Executive Order 11051 of Sept. 27, 1962, 27 Fed. Reg. 9683. See 20-3.1.

National Security Resources Board concerned with civil defense activities as he deems necessary to carry out the purposes of this Act.

UTILIZATION OF EXISTING FACILITIES

SEC. 405. In performing his duties, the Administrator shall (1) cooperate with the various departments and agencies of the Government; (2) utilize to the maximum extent the existing facilities and resources of the Federal Government, and, with their consent, the facilities and resources of the States and local political subdivisions thereof, and of other organizations and agencies; and (3) refrain from engaging in any form of activity which would duplicate or parallel activity of any other Federal department or agency unless the Administrator, with the written approval of the President, shall determine that such duplication is necessary to accomplish the purposes of this Act.

ANNUAL REPORT TO CONGRESS

SEC. 406. The Administrator shall annually submit a written report to the President and the Congress covering expenditures, contributions, work, and accomplishments of the Administration, pursuant to this Act, accompanied by such recommendations as he shall deem appropriate.

APPLICABILITY OF ACT

SEC. 407. The provisions of this Act shall be applicable to the United States, its States, Territories and possessions, and the District of Columbia, and their political subdivisions.

APPROPRIATIONS AND TRANSFERS OF FUNDS

SEC. 408. There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this Act. Funds made available for the purposes of this Act may be allocated or transferred for any of the purposes of this Act, with the approval of the Bureau of the Budget, to any agency or Government corporation designated to assist in carrying out this Act: *Provided,* That each such allocation or transfer shall be reported in full detail to the Congress within thirty days after such allocation or transfer: *Provided further,* That appropriations for the payment of travel and per diem expenses for students under section 201 (e) shall not exceed $300,000 per annum; appropriations for expenditures under the fourth proviso of section 201 (h) (donation of radiological instruments, et cetera) shall not exceed $35,000,000 per annum; appropriations for contribution to the States for personal equipment for State and local workers, under section 201 (i) shall not exceed $2,000,000 per annum;

appropriations for contributions to the States for personnel and administrative expenses under section 205 shall not exceed $25,000,000 per annum.

RECONSTRUCTION FINANCE CORPORATION

SEC. 409. To aid in carrying out the purposes of this Act, the Administrator is authorized to certify to the Reconstruction Finance Corporation as to the necessity under its Civil Defense Program of purchasing securities or making a loan or loans (including participations therein and guarantees thereof) for the purpose of aiding in financing projects for civil defense purposes, and the Reconstruction Finance Corporation upon such certification by the Administrator is hereby authorized [1] to purchase such securities or to make such loan or loans (including participations therein and guarantees thereof) with maturities not to exceed fifty years and on such terms and conditions as the Corporation may determine except that any such purchases of securities or loans may be made only to the extent that financing is not otherwise available on reasonable terms. The total amount of loans, purchases, participations, and guarantees, made pursuant to this section shall not exceed $250,000,000 outstanding at any one time. The total amount of investments, loans, purchases, and commitments authorized by law to be made by the Reconstruction Finance Corporation is hereby increased by such sum.

ATOMIC ENERGY ACT OF 1946

SEC. 410. Nothing in this Act shall be construed to amend or modify the provisions of the Atomic Energy Act of 1946, as amended.

FEDERAL BUREAU OF INVESTIGATION

SEC. 411. Nothing in this Act shall be construed to authorize investigations of espionage, sabotage, or subversive acts by any persons other than personnel of the Federal Bureau of Investigation.

SEPARABILITY

SEC. 412. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act, and the application of such provisions to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

APPLICABILITY OF REORGANIZATION PLAN NUMBERED 1

SEC. 413. The applicability of Reorganization Plan Numbered 1 of 1958 (23 F. R. 4991) shall extend to any amendment of this Act except as otherwise expressly provided in such amendment.

Approved January 12, 1951

[1] These functions of the Reconstruction Finance Corporation were transferred to the Secretary of the Treasury by Public Law 163, 83d Congress, approved July 30, 1953, 67 Stat. 231.

20. Defense Mobilization Activities

3. Defense Mobilization

## 15. ASSIGNING CIVIL DEFENSE RESPONSIBILITIES

[Executive Order 10952; 26 Fed. Reg. 6577]

WHEREAS the possibility of enemy attack upon the United States must be taken into account in developing our continental defense program; and

WHEREAS following a thorough review and consideration of our military and nonmilitary defense activities, I have concluded that adequate protection of the civilian population requires a substantial strengthening of the Nation's civil defense capability; and

WHEREAS the rapid acceleration of civil defense activities can be accomplished most effectively and efficiently through performance by the regular departments and agencies of government of those civil defense functions related to their established roles and capabilities; and

WHEREAS I have concluded that the undertaking of greatly accelerated civil defense activities, including the initiation of a substantial shelter program, requires new organizational arrangements:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States and Commander-in-Chief of the armed forces of the United States, including the authority contained in the Federal Civil Defense Act of 1950, as amended, and other authorities of law vested in me pursuant to Reorganization Plan No. 1 of 1958, it is hereby ordered as follows:

SECTION 1. *Delegation of Authority to the Secretary of Defense.* (a) Except as hereinafter otherwise provided and as is reserved to the Office [1] of Emergency Planning in section 2 of this order, the Secretary of Defense is delegated all functions [2] (including as used in this order, powers, duties, and authority) contained in the Federal Civil Defense Act of 1950, as amended (hereinafter referred to as the Act), vested in me pursuant to Reorganization Plan No. 1 of 1958 (72 Stat. 1799), subject to the direction and control of the President. Such functions to be performed by the Secretary of Defense, working as necessary or appropriate through other agencies by contractual or other agreements, as well as with State and local leaders, shall include but not be limited to the development and execution of:

(i) a fallout shelter program;

(ii) a chemical, biological and radiological warfare defense program;

[1] Executive Order 11051 of September 27, 1962, 27 Fed. Reg. 9683, amended each reference to the Office of Civil and Defense Mobilization or the Director of the Office of Civil and Defense Mobilization in Excutive Order 10952 and other Executive orders to refer to the Office of Emergency Planning and the Director of the Office of Emergency Planning, respectively. See 20-3.1.

[2] The functions delegated to the Secretary of Defense were delegated to the Secretary of the Army with authority to redelegate. 29 Fed. Reg. 5017.

(iii) all steps necessary to warn or alert Federal military and civilian authorities, State officials and the civilian population;

(iv) all functions pertaining to communications, including a warning network, reporting on monitoring, instructions to shelters and communications between authorities;

(v) emergency assistance to State and local governments in a post-attack period, including water, debris, fire, health, traffic police and evacuation capabilities;

(vi) protection and emergency operational capability of State and local government agencies in keeping with plans for the continuity of government; and

(vii) programs for making financial contributions to the States (including personnel and administrative expenses) for civil defense purposes.

(b) In addition to the foregoing, the Secretary shall:

(i) develop plans and operate systems to undertake a nationwide postattack assessment of the nature and extent of the damage resulting from enemy attack and the surviving resources, including systems to monitor and report specific hazards resulting from the detonation or use of special weapons; and

(ii) make necessary arrangements for the donation of Federal surplus property in accordance with section 203(j)(4) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484(j)(4)), subject to applicable limitations.

SEC. 2. *Civil Defense Responsibilities of the Office*[1] *of Emergency Planning.* The Director of the Office[1] of Emergency Planning shall

(a) advise and assist the President in:

(i) determining policy for, planning, directing and coordinating, including the obtaining of information from all departments and agencies, the total civil defense program;

(ii) reviewing and coordinating the civil defense activities of the Federal departments and agencies with each other and with the activities of the States and neighboring countries in accordance with section 201(b) of the Act;

(iii) determining the appropriate civil defense roles of Federal departments and agencies, and enlisting State, local and private participation, mobilizing national support, evaluating progress of programs, and preparing reports to the Congress relating to civil defense matters;

(iv) helping and encouraging the States to negotiate and enter into

[1] Executive Order 11051 of September 27, 1962, 27 Fed. Reg. 9683, amended each reference to the Office of Civil and Defense Mobilization or the Director of the Office of Civil and Defense Mobilization in Executive Order 10952 and other Executive orders to refer to the Office of Emergency Planning and the Director of the Office of Emergency Planning, respectively. See 20-3.1.

interstate civil defense compacts and enact reciprocal civil defense legislation in accordance with section 201(g) of the Act; and

(v) providing all practical assistance to States in arranging, through the Department of State, mutual civil defense aid between the States and neighboring countries in accordance with section 203 of the Act;

(b) develop plans, conduct programs and coordinate preparations for the continuity of Federal governmental operations in the event of attack; and

(c) develop plans, conduct programs and coordinate preparations for the continuity of State and local governments in the event of attack, which plans, programs and preparations shall be designed to assure the continued effective functioning of civilian political authority under any emergency condition.

SEC. 3. *Excluded Functions.* The following functions of the President under the provisions of the Act are excluded from delegations to the Secretary of Defense made by this order and are reserved to the President:

(a) Those under subsections (h) and (i) of section 201 of the Act (50 U.S.C. App. 2281(h), (i)) to the extent that they pertain to medical stockpiles and food stockpiles.

(b) Those under the following provision of the Act: Section 102(a), 201(b), and 402 and Title III.

SEC. 4. *Transfer of Property, Facilities, Personnel and Funds.* Subject to applicable law, there shall be hereby transferred to the Secretary of Defense such portion of the property, facilities, and personnel of the Office [1] of Emergency Planning engaged in the performance of the civil defense responsibilities herein assigned to the Secretary of Defense as shall be agreed upon by the Secretary and the Director of the Office [1] of Emergency Planning together with such portions of the funds currently available for those purposes as shall be approved by the Director of the Bureau of the Budget.

SEC. 5. *Reports.* The Secretary of Defense shall annually submit to the President a written report covering expenditures, contributions, activities, and accomplishments of the Secretary of Defense pursuant to this order.

SEC. 6. *Redelegation.* The Secretary of Defense is hereby authorized to redelegate within the Department of Defense the functions hereinabove delegated to him.

SEC. 7. *Amendment.* The Director of the Office [1] of Emergency Planning is hereby relieved of responsibilities under the Act except as other-

[1] Executive Order 11051 of September 27, 1962, 27 Fed. Reg. 9683, amended each reference to the Office of Civil and Defense Mobilization or the Director of the Office of Civil and Defense Mobilization in Executive Order 10952 and other Executive orders to refer to the Office of Emergency Planning and the Director of the Office of Emergency Planning, respectively. See 20-3.1.

wise provided herein, and the provisions of Executive Order No. 10773, as amended, are amended accordingly.

SEC. 8. *Prior actions.* (a) Except to the extent that they may be inconsistent with the provisions of this order, and except as particular Executive orders or other orders are amended, modified, or superseded by the provisions of this order, all determinations, authorizations, regulations, rulings, certificates, orders (including emergency preparedness orders), directives, contracts, agreements, and other actions made, issued, or entered into with respect to any function affected by this order, and not revoked, superseded, or otherwise made inapplicable before the date of this order, shall continue in full force and effect until amended, modified, or terminated by the President or other appropriate authority; but, to the extent necessary to conform to the provisions of this order, any of the foregoing shall be deemed to refer to the Secretary of Defense or other appropriate officer or agency instead of, or in addition to, the Office [1] of Emergency Planning or the Director thereof.

(b) This order shall not terminate any delegation or assignment of any substantive (program) function to any delegate agency made by any emergency preparedness order heretofore issued by the Director of the Office [1] of Emergency Planning (26 F.R. 651-662; 835-840) (which emergency preparedness order shall remain in effect until amended or revoked by or at the specific direction of the President). No such emergency preparedness order shall limit the delegation or assignment of any substantive (program) function to the Secretary of Defense made by the foregoing sections of this order.

SEC. 9. *Effective Date.* This order shall become effective on the first day of August, 1961.

JOHN F. KENNEDY

THE WHITE HOUSE,
*July 20, 1961.*

[1] Executive Order 11051 of September 27, 1962, 27 Fed. Reg. 9683, amended each reference to the Office of Civil and Defense Mobilization or the Director of the Office of Civil and Defense Mobilization in Executive Order 10952 and other Executive orders to refer to the Office of Emergency Planning and the Director of the Office of Emergency Planning, respectively. See 20-3.1.

21. Equal Opportunity in Housing

1. Executive Order 11063

# 1. EQUAL OPPORTUNITY IN HOUSING

[Executive Order 11063, 27 Fed. Reg. 11527]

WHEREAS the granting of Federal assistance for the provision, rehabilitation, or operation of housing and related facilities from which Americans are excluded because of their race, color, creed, or national origin is unfair, unjust, and inconsistent with the public policy of the United States as manifested in its Constitution and laws; and

WHEREAS the Congress in the Housing Act of 1949 has declared that the general welfare and security of the Nation and the health and living standards of its people require the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family; and

WHEREAS discriminatory policies and practices based upon race, color, creed, or national origin now operate to deny many Americans the benefits of housing financed through Federal assistance and as a consequence prevent such assistance from providing them with an alternative to substandard, unsafe, unsanitary, and overcrowded housing; and

WHEREAS such discriminatory policies and practices result in segregated patterns of housing and necessarily produce other forms of discrimination and segregation which deprive many Americans of equal opportunity in the exercise of their unalienable rights to life, liberty, and the pursuit of happiness; and

WHEREAS the executive branch of the Government, in faithfully executing the laws of the United States which authorize Federal financial assistance, directly or indirectly, for the provision, rehabilitation, and operation of housing and related facilities, is charged with an obligation and duty to assure that those laws are fairly administered and that benefits thereunder are made available to all Americans without regard to their race, color, creed, or national origin:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States by the Constitution and laws of the United States, it is ordered as follows:

## PART I—PREVENTION OF DISCRIMINATION

SECTION 101. I hereby direct all departments and agencies in the executive branch of the Federal Government, insofar as their functions relate to the provision, rehabilitation, or operation of housing and related facilities, to take all action necessary and appropriate to prevent discrimination because of race, color, creed, or national origin—

(a) in the sale, leasing, rental, or other disposition of residential

property and related facilities (including land to be developed for residential use), or in the use or occupancy thereof, if such property and related facilities are—

(i) owned or operated by the Federal Government, or

(ii) provided in whole or in part with the aid of loans, advances, grants, or contributions hereafter agreed to be made by the Federal Government, or

(iii) provided in whole or in part by loans hereafter insured, guaranteed, or otherwise secured by the credit of the Federal Government, or

(iv) provided by the development or the redevelopment of real property purchased, leased, or otherwise obtained from a State or local public agency receiving Federal financial assistance for slum clearance or urban renewal with respect to such real property under a loan or grant contract hereafter entered into; and

(b) in the lending practices with respect to residential property and related facilities (including land to be developed for residential use) of lending institutions, insofar as such practices relate to loans hereafter insured or guaranteed by the Federal Government.

SEC. 102. I hereby direct the Housing and Home Finance Agency and all other executive departments and agencies to use their good offices and to take other appropriate action permitted by law, including the institution of appropriate litigation, if required, to promote the abandonment of discriminatory practices with respect to residential property and related facilities heretofore provided with Federal financial assistance of the types referred to in Section 101 (a) (ii), (iii), and (iv).

PART II—IMPLEMENTATION BY DEPARTMENTS AND AGENCIES

SEC. 201. Each executive department and agency subject to this order is directed to submit to the President's Committee on Equal Opportunity in Housing established pursuant to Part IV of this order (hereinafter sometimes referred to as the Committee), within thirty days from the date of this order, a report outlining all current programs administered by it which are affected by this order.

SEC. 202. Each such department and agency shall be primarily responsible for obtaining compliance with the purposes of this order as the order applies to programs administered by it; and is directed to cooperate with the Committee, to furnish it, in accordance with law, such information and assistance as it may request in the performance of its functions, and to report to it at such intervals as the Committee may require.

SEC. 203. Each such department and agency shall, within thirty days from the date of this order, issue such rules and regulations, adopt such procedures and policies, and make such exemptions and exceptions as may be consistent with law and necessary or appropriate to effectuate

the purposes of this order. Each such department and agency shall consult with the Committee in order to achieve such consistency and uniformity as may be feasible.

PART III—ENFORCEMENT

SEC. 301. The Committee, any subcommittee thereof, and any officer or employee designated by any executive department or agency subject to this order may hold such hearings, public or private, as the Committee, department, or agency may deem advisable for compliance, enforcement, or educational purposes.

SEC. 302. If any executive department or agency subject to this order concludes that any person or firm (including but not limited to any individual, partnership, association, trust, or corporation) or any State or local public agency has violated any rule, regulation, or procedure issued or adopted pursuant to this order, or any nondiscrimination provision included in any agreement or contract pursuant to any such rule, regulation, or procedure, it shall endeavor to end and remedy such violation by informal means, including conference, conciliation, and persuasion unless similar efforts made by another Federal department or agency have been unsuccessful. In conformity with rules, regulations, procedures, or policies issued or adopted by it pursuant to Section 203 hereof, a department or agency may take such action as may be appropriate under its governing laws, including, but not limited to, the following:

It may—

(a) cancel or terminate in whole or in part any agreement or contract with such person, firm, or State or local public agency providing for a loan, grant, contribution, or other Federal aid, or for the payment of a commission or fee;

(b) refrain from extending any further aid under any program administered by it and affected by this order until it is satisfied that the affected person, firm, or State or local public agency will comply with the rules, regulations, and procedures issued or adopted pursuant to this order, and any nondiscrimination provisions included in any agreement or contract;

(c) refuse to approve a lending institution or any other lender as a beneficiary under any program administered by it which is affected by this order or revoke such approval if previously given.

SEC. 303. In appropriate cases executive departments and agencies shall refer to the Attorney General violations of any rules, regulations, or procedures issued or adopted pursuant to this order, or violations of any nondiscrimination provisions included in any agreement or contract, for such civil or criminal action as he may deem appropriate. The Attorney General is authorized to furnish legal advice concerning this order to the Committee and to any department or agency requesting such advice.

SEC. 304. Any executive department or agency affected by this order

may also invoke the sanctions provided in Section 302 where any person or firm, including a lender, has violated the rules, regulations, or procedures issued or adopted pursuant to this order, or the nondiscrimination provisions included in any agreement or contract, with respect to any program affected by this order administered by any other executive department or agency.

PART IV—ESTABLISHMENT OF THE PRESIDENT'S COMMITTEE ON EQUAL OPPORTUNITY IN HOUSING

SEC. 401. There is hereby established the President's Committee on Equal Opportunity in Housing which shall be composed of the Secretary of the Treasury; the Secretary of Defense; the Attorney General; the Secretary of Agriculture; the Housing and Home Finance Administrator; the Administrator of Veterans Affairs; the Chairman of the Federal Home Loan Bank Board; a member of the staff of the Executive Office of the President to be assigned to the Committee by direction of the President, and such other members as the President shall from time to time appoint from the public. The member assigned by the President from the staff of the Executive Office shall serve as the Chairman and Executive Director of the Committee. Each department or agency head may designate an alternate to represent him in his absence.

SEC. 402. Each department or agency subject to this order shall, to the extent authorized by law (including § 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691)), furnish assistance to and defray the necessary expenses of the Committee.

PART V—POWERS AND DUTIES OF THE PRESIDENT'S COMMITTEE ON EQUAL OPPORTUNITY IN HOUSING

SEC. 501. The Committee shall meet upon the call of the Chairman and at such other times as may be provided by its rules. It shall: (a) adopt rules to govern its deliberations and activities; (b) recommend general policies and procedures to implement this order; (c) consider reports as to progress under this order; (d) consider any matters which may be presented to it by any of its members; and (e) make such reports to the President as he may require or the Committee shall deem appropriate. A report to the President shall be made at least once annually and shall include references to the actions taken and results achieved by departments and agencies subject to this order. The Committee may provide for the establishment of subcommittees whose members shall be appointed by the Chairman.

SEC. 502. (a) The Committee shall take such steps as it deems necessary and appropriate to promote the coordination of the activities of departments and agencies under this order. In so doing, the Committee shall consider the overall objectives of Federal legislation relating to housing and the right of every individual to participate without discrimination because of race, color, creed, or national origin in the ultimate benefits of the Federal programs subject to this order.

(b) The Committee may confer with representatives of any department or agency, State or local public agency, civic, industry, or labor group, or any other group directly or indirectly affected by this order; examine the relevant rules, regulations, procedures, policies, and practices of any department or agency subject to this order and make such recommendations as may be necessary or desirable to achieve the purposes of this order.

(c) The Committee shall encourage educational programs by civic, educational, religious, industry, labor, and other nongovernmental groups to eliminate the basic causes of discrimination in housing and related facilities provided with Federal assistance.

SEC. 503. The Committee shall have an executive committee consisting of the Committee's Chairman and two other members designated by him from among the public members. The Chairman of the Committee shall also serve as Chairman of the Executive Committee. Between meetings of the Committee, the Executive Committee shall be primarily responsible for carrying out the functions of the Committee and may act for the Committee to the extent authorized by it.

## PART VI—MISCELLANEOUS

SEC. 601. As used in this order, the term "departments and agencies" includes any wholly-owned or mixed-ownership Government corporation, and the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories of the United States.

SEC. 602. This order shall become effective immediately.

JOHN FITZGERALD KENNEDY

THE WHITE HOUSE
*November 20, 1962.*

30. Miscellaneous

1. Housing Research and Building Codes [1]

# 1. AUTHORIZATION—EXCERPT FROM THE HOUSING ACT OF 1948, AS AMENDED

[Public Law 901, 80th Congress; 62 Stat. 1268, 1276; 12 U.S.C. 1701e (1946 ed., Supp. III)]

* * *

## TITLE III [2]

SEC. 301. The Housing and Home Finance Administrator shall—

(a) Undertake and conduct a program with respect to technical research and studies concerned with the development, demonstration, and promotion of the acceptance and application of new and improved techniques, materials, and methods which will permit progressive reductions in housing construction and maintenance costs, and stimulate the increased and sustained production of housing, and concerned with housing economics and other housing market data. Such program may be concerned with improved and standardized building codes and regulations and methods for the more uniform administration thereof, standardized dimensions and methods for the assembly of home-building materials and equipment, improved residential design and construction, new and improved types of housing components, building materials and equipment, and methods of production, distribution, assembly, and construction, and sound techniques for the testing thereof and for the determination of adequate performance standards, and may relate to appraisal, credit, and other housing market data, housing needs, demand and supply, finance and investment, land costs, use and improvement, site planning and utilities, zoning and other laws, codes, and regulations as they apply to housing, other factors affecting the cost of housing, and related technical and economic research. Contracts may be made by the Administrator for technical research and studies authorized by this subsection for work to continue not more than four years from the date of any such contract. Notwithstanding the provisions of section 5 of the Act of June 20, 1874, as amended (31 U.S.C. 713), any unexpended balances of appropriations properly obligated by contracting with an organization as provided in this subsection may remain upon the books of the Treasury for not more than five fiscal years before being carried to the surplus fund and covered into the Treasury. All contracts made by the Administrator for technical research and studies authorized by this or any other Act shall contain requirements making the results of such research or studies available to the public through dedication, assignment to the Government, or such other means as the Administrator

[1] The First Independent Offices Appropriation Act, 1954, Public Law 176, 83d Congress, approved July 31, 1953, 67 Stat. 298, 305, provided that not to exceed $125,000 of the appropriation to the Office of the Administrator in that Act should be available for liquidation of the housing research program not later than April 30, 1954.

The Administrator also has general administrative authority to use administrative expense funds for such research as he determines to be necessary in connection with the general supervision and coordination of the functions of the constituent agencies or in connection with his other functions.

[2] As amended by the Housing Act of 1949, Public Law 171, 81st Congress, approved July 15, 1949, 63 Stat. 413.

shall determine. The Administrator shall disseminate, and without regard to the provisions of 39 United States Code 321n, the results of such research and studies in such form as may be most useful to industry and to the general public. Notwithstanding any other provisions of law except provisions enacted expressly in limitation hereof, the Administrator is authorized to consolidate, with the functions and activities performed under this subsection, any functions or activities now being performed or which, otherwise, would be performed by any constituent agency of the Housing and Home Finance Agency with respect to housing market data, and with respect to any other function or activity which the Administrator is authorized to perform by this subsection, if he determines that such consolidation is practicable and will promote more effective administration. The Administrator shall utilize the authority under this subsection with respect to housing market data to secure such information and data as may be required in connection with the functions of the constituent agencies within the Housing and Home Finance Agency and his supervision and coordination of the functions of said agencies, and in connection with determinations and approvals under section 15 (7) (b) (ii) and section 15 (8) (a) of the United States Housing Act of 1937, as amended: *Provided,* That this sentence shall not be construed as a limitation upon the authority conferred upon the Administrator by this subsection.

(b) Prepare and submit to the President and to the Congress estimates of national urban and rural nonfarm housing needs [1] and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation as may be necessary or desirable for the furtherance of the national housing objective and policy established by this Act, with respect to urban and rural nonfarm housing, together with such other reports or information as may be required of the Administrator by the President or the Congress.

(c) Encourage localities to make studies of their own housing needs and markets, along with surveys and plans for housing, urban land use and related community development, and provide, where requested and needed by the localities, technical advice and guidance in the making of such studies, surveys, and plans. To facilitate the cooperation of Federal agencies in carrying out such studies or surveys, such Federal agencies are hereby authorized to accept funds and reimburse their appropriation for the cost of such studies or surveys.

SEC. 302. In carrying out research and studies under this title, the Administrator shall utilize, to the fullest extent feasible, the available facilities of other departments, independent establishments, and agencies of the Federal Government, and shall consult with, and make recommendations to, such departments, independent establishments, and agencies with respect to such action as may be necessary and desirable to overcome existing gaps and deficiencies in available

[1] The Department of Commerce and Related Agencies Appropriation Act, 1957, Public Law 604, 84th Congress, approved June 20, 1956, 70 Stat. 314, appropriated $1,000,000 to the Bureau of the Census for "expenses necessary for conducting a survey of housing".

housing data or in the facilities available for the collection of such data. The Administrator is further authorized, for the purposes of this title, to undertake research and studies cooperatively with industry and labor, and with agencies of State or local governments, and educational institutions and other nonprofit organizations. For the purpose of entering into contracts with any State or local public agency or instrumentality, or educational institution or other nonprofit agency or organization, in carrying out any research or studies authorized by this title, the Administrator may exercise any of the powers vested in him by section 502(c) of the Housing Act of 1948.

SEC. 303. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

SEC. 304. The Administrator shall appoint a Director to administer the provisions of this title under the direction and supervision of the Administrator, and the basic rate of compensation of such position shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency.

* * *

Approved August 10, 1948

30. Miscellaneous

1. Housing Research and Building Codes

## 2. LIQUIDATION—EXCERPT FROM FIRST INDEPENDENT OFFICES APPROPRIATION ACT, 1954

[Public Law 176, 83d Congress; 67 Stat. 298, 305]

* * *

HOUSING AND HOME FINANCE AGENCY

OFFICE OF THE ADMINISTRATOR

Salaries and expenses: For necessary expenses of the Office of the Administrator, * * * $3,215,550, of which not to exceed $125,000 shall be available for liquidation of the housing research program not later than April 30, 1954: * * *.

* * *

Approved July 31, 1953.

and Building Codes

## AUTHORIZATION—EXCERPT FROM THE HOUSING ACT OF 1954

Public Law 1070, 84th Congress, 70 Stat. 1091, [1131]

— RESEARCH

The Housing and Home Finance [illegible] is authorized to undertake such programs of [illegible] research as he determines to be [illegible] his responsibilities, including the [illegible] national housing policies and programs. Studies under the Administrator's study programs shall include, but shall not be limited to, studies of

(1) [illegible]ension inventory of the Nation and the [illegible]ssibilities and concepts of residential structures, and other factors as affect the total supply of housing;

(2) mortgage market problems;

(3) the extent to which adequate housing is available to low- and moderate-income families of the Nation, through public and private means;

(4) housing for elderly persons;

(5) residential design, assembly methods, and materials use in order to cost, utility, and comfort; and

(6) characteristics of current and prospective housing market demand.

(b) In order to permit the Administrator to carry out the research vested in him by subsection (a) of this section, he is hereby authorized to enter into contracts with agencies of State and local governments and educational institutions and other nonprofit organizations and into working agreements with departments and independent establishments and agencies of the Federal Government in accordance with subsection (c) of this subsection: *Provided*, That the total amount of contracts and working agreements shall not exceed [illegible] fiscal year 1957, which amount shall be increased [illegible] July 1, 1957, and July 1, 1958, respectively.

There are hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated such sums as may be necessary to carry out the purposes of this section, including administrative expenses which are hereby authorized, and amounts necessary for payments pursuant to contracts or working agreements entered into under subsection (b) of this section.

(c) The provisions of the third and fourth sentences of subsection (a) of section 301 of the Housing Act of 1948, as amended, relating to [illegible] and Related Agencies Appropriation Act, 1950, [illegible] approved June 30, 1949, [illegible] expenses necessary for obtaining [illegible]

of such Act shall apply to [illegible] appropriations under this section.

(c) The Administrator may disseminate [illegible] to the provisions of section 3(c) of the Penalty Mail Act of [illegible] any data or information acquired or held under this section, [illegible] data and information obtainable by the Administrator through the operation of the provisions and purposes of the Housing and Home Finance Agency, in such form as he shall determine is most useful to departments, establishments, and agencies of the United States Government or State or local governments, or to the general public.

In carrying out the provisions of this section the Administrator is hereby authorized to request and receive such information or data as he deems appropriate from private individuals, organizations, and public agencies. Any such information or data shall be used only for purposes for which it is supplied, and no publication shall be made by the Administrator whereby the information or data furnished by any particular person or establishment can be identified, except with the consent of such person or establishment.

Nothing contained in this section shall limit the authority of the Administrator under title III of the Housing Act of 1948,[2] as amended, or any other provision of law.

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Approved August 7, 1956.

30. Miscellaneous

1. Housing Research and Building Codes

## 4. AUTHORIZATION—FARM HOUSING RESEARCH—EXCERPT FROM THE HOUSING ACT OF 1957

[Public Law 85-104, 85th Congress, 71 Stat. 294, 304]

FARM HOUSING RESEARCH

SEC. 603. (a) The Housing and Home Finance Administrator is authorized and directed to undertake and carry out a program, in the manner provided in subsection (b), for the study of farm housing in the United States. Such program shall be designed to assist in the improvement of farm housing conditions in the United States by developing data and information on—

(1) the adequacy of existing farm housing;

(2) the nature and extent of current and prospective needs for farm housing, including the needs for financing and improved design, utility, and comfort, and the methods by which such needs might best be satisfied;

(3) the problems faced by farmers in purchasing, constructing, improving, altering, repairing, and replacing farm dwellings;

(4) the interrelation of farm housing problems and the problems of housing in urban and suburban areas; and

(5) any other matters bearing upon the provision of adequate housing for the farm population of the United States.

(b) The research, study, and analysis required to carry out the program described in subsection (a) shall be conducted by land-grant colleges established pursuant to the Act of July 2, 1862 (7 U.S.C., secs. 301-308), and such research, study, and analysis shall be financed with grants made to such colleges by the Housing and Home Finance Administrator on such terms, conditions, and standards as may be specified in regulations prescribed by him.

(c) [1] The authority of the Housing and Home Finance Administrator to make grants under subsection (b) shall expire June 30, 1961. The total amount of such grants shall not exceed $300,000 during each of the fiscal years ending June 30, 1958, and June 30, 1959, and shall not exceed $100,000 during the period beginning July 1, 1959, and ending June 30, 1961.

(d) There are authorized to be appropriated such sums as may be necessary to carry out this section.[2]

Approved July 12, 1957.

[1] Immediately prior to amendment by Sec. 803, Housing Act of 1959, Public Law 86-372, approved September 23, 1959, 73 Stat. 654, 686, this subsection read as follows:
"(c) The authority of the Housing and Home Finance Administrator to make grants under subsection (b) shall expire June 30, 1959; and the total amount of such grants shall not exceed $300,000 during either of the fiscal years ending June 30, 1958, and June 30, 1959."

[2] The Supplemental Appropriation Act, 1958, Public Law 85-170, 85th Congress, approved August 28, 1957, 71 Stat. 426, 433 appropriated $75,000 to carry out the provisions of this section.

**30. Miscellaneous**

**2. Disaster Relief [1]**

## 1. FEDERAL ASSISTANCE—PUBLIC LAW 875, 81ST CONGRESS, AS AMENDED

**[64 Stat. 1109; 42 U.S.C. 1855 (1946 ed., Supp. IV)]**

AN ACT To authorize Federal assistance to States and local governments in major disasters, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That it is the intent of Congress to provide an orderly and continuing means of assistance by the Federal Government to States and local governments in carrying out their responsibilities to alleviate suffering and damage resulting from major disasters, to repair essential public facilities in major disasters, and to foster the development of such State and local organizations and plans to cope with major disasters as may be necessary.

SEC. 2. As used in this Act, the following terms shall be construed as follows unless a contrary intent appears from the context:

(a) "Major disaster" means any flood, drought, fire, hurricane, earthquake, storm, or other catastrophe in any part of the United States which, in the determination of the President, is or threatens to be of sufficient serverity and magnitude to warrant disaster assistance by the Federal Government to supplement the efforts and available resources of States and local governments in alleviating the damage, hardships, or suffering caused thereby, and respecting which the governor of any State (or the Board of Commissioners of the District of Columbia) in which such catastrophe may occur or threaten certifies the need for disaster assistance under this Act, and shall give assurance of expenditure of a reasonable amount of the funds of the government of such State, local governments therein, or other agencies, for the same or similar purposes with respect to such catastrophe;

(b) "United States" includes the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands;

(c) "State" means any State in the United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands;

(d) "Governor" means the chief executive of any State;

(e) "Local government" means any county, city, village, town, district, or other political subdivision of any State, or the District of Columbia;

(f) "Federal agency" means any department, independent establishment, Government corporation, or other agency of the executive branch of the Federal Government, excepting, however, the American National Red Cross.

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[1] Executive Order 10221, issued March 2, 1951, 16 Fed. Reg. 2051, conferred upon the Housing and Home Finance Administrator the President's authority to direct Federal agencies to provide disaster assistance, and to coordinate the activities of Federal agencies in providing disaster assistance. See 30-2.3, Executive Order 10427, which revoked Executive Order

SEC. 3. In any major disaster, Federal agencies are hereby authorized when directed by the President to provide assistance (a) by utilizing or lending, with or without compensation therefor, to States and local governments, their equipment, supplies, facilities, personnel, and other resources, other than the extension of credit under the authority of any Act; (b) by distributing, through the American National Red Cross or otherwise, medicine, food, and other consumable supplies; (c) [1] by donating or lending equipment and supplies, determined under then existing law to be surplus to the needs and responsibilities of the Federal

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10221, and placed disaster assistance functions in the Director of the Office of Civil and Defense Mobilization. See also section 203(h) of the National Housing Act as amended, 4-1.2; and section 305 of the National Housing Act, as amended 5-1. Vacancies in Federally-owned housing can be made available to disaster sufferers. Financial assistance can also be made available under Title I of the Housing Act of 1949, as amended, 7-1, for the clearance of blighted areas and preparation for rebuilding, and under sec. 701, Housing Act of 1954, 7-5, for planning assistance. Interest free advances can be made to communities for planning needed public works under the Housing Act of 1954, 10-1.3, and loans can be made under the public facility loan program, Housing Amendments of 1955, 10-2.3.

In addition, section 4(a)(4) of the Reconstruction Finance Corporation Act, as amended, 15 U.S.C. 604 (1946 ed. Supp. IV), authorized the RFC "to make such loans as it may determine to be necessary or appropriate because of floods or other catastrophes." The "Flood Rehabilitation Act, 1952," Public Law 202, 82d Congress, approved October 24, 1951, 65 Stat. 615, increased the limitation in sec. 4(c) of the RFC Act on the amount of disaster loans which could be made by RFC by $60,000,000 and added a proviso to section 4(c) as follows: "*Provided,* That any loan, including renewal or extension thereof, under section 4(a)(4) of such Act for acquisition or construction (including acquisition of the site therefor) of housing for the personal occupancy of the applicant, may be made for a period of not to exceed twenty years." Pursuant to the RFC Liquidation Act, Public Law 163, 83d Congress, approved July 30, 1953, 67 Stat, 230, the authority of the RFC to make loans was terminated September 28, 1953. Public Law 163 also established the Small Business Administration and authorized the Administration to make disaster loans, with the proviso that disaster loans for acquisition or construction of housing (including acquisition of the site) for the personal occupancy of the borrower might be made for a period not to exceed twenty years. Sec. 5 of Public Law 268, 84th Congress, approved August 9, 1955, 69 Stat. 547, 549, added a provision to Public Law 163 that the interest rate on such housing loans could be at a rate not to exceed 3 percentum per annum. Sec. 2 of Public Law 402, 84th Congress, approved February 2, 1956, 70 Stat. 10, amended Public Law 163 by fixing the maximum maturity for all disaster loans at 20 years, and also provided that the interest rate on the Small Business Administration's share of disaster loans shall not exceed 3 per cent per annum. Public Law 85-536, 85th Congress (Small Business Act), approved July 18, 1958, 72 Stat. 384-396, amended and rewrote Public Law 163, established the Small Business Administration as a permanent agency, and in section 7(b) continued the Administrator's authority to make 20 year 3 per cent disaster loans.

The Department of Agriculture also renders disaster assistance in the form of disaster loans to farmers, flood control surveys, and through its farm credit system.

DMO VII-7, Supp 1, filed Aug. 25, 1955, by the Office of Defense Mobilization, 20 Fed. Reg. 6259, ordered that procurement agencies should use their best efforts to award procurement contracts to contractors located in disaster areas and to encourage prime contractors to award subcontracts to firms in those areas.

DMO VII-3, Supp. 1, effective Aug 27, 1955, 20 Fed. Reg. 6339, provided that controls on the distribution and use of materials and facilities should be used to assist in providing materials and facilities for the restoration of productive capacity damaged or destroyed by disaster. This was terminated effective April 1, 1957 (22 Fed. Reg. 1353) with respect to controls used for the restoration of productive capacity damaged or destroyed by the 1955 flood disasters in the Northeastern United States and on the West Coast. DMO VII-3, Supp. 1, was superseded by DMO 8400.1, 28 Fed. Reg. 12164. See 20-3.4.

DMO Reg. 1, Amdt. 1, effective August 24, 1955, 20 Fed. Reg. 6452, granted accelerated tax amortization for the reconstruction, rehabilitation, and replacement of emergency facilities destroyed or damaged by major disaster.

Executive Order 10634, issued August 25, 1955. 20 Fed. Reg. 6433, provided for loans under sec. 302 of the Defense Production Act of 1950, as amended, to aid in the reconstruction, rehabilitation and replacement of facilities destroyed or damaged by major disaster and required for national defense.

Prior to enactment of Public Law 875, 81st Congress, the Community Facilities Service performed disaster relief work under authority of Public Law 233, 80th Congress, approved July 25, 1947, 61 Stat. 422. Funds were made available to them from the President's Emergency Fund provided in the General Appropriation Act, 1951, Public Law 759, 81st Congress, approved September 6, 1950, 64 Stat. 595. Public Law 233 is repealed by section 9 of Public Law 875, 81st Congress.

[1] Clause (c) was amended to read as set forth in the text by Public Law 134, 83rd Congress, approved July 17, 1953, 67 Stat. 180.

Government, to States for use or distribution by them for the purposes of the Act including the restoration of public facilities damaged or destroyed in such major disaster and essential rehabilitation of individuals in need as the result of such major disaster; and (d) by performing on public or private lands protective and other work essential for the preservation of life and property, clearing debris and wreckage, making emergency repairs to and temporary replacements of public facilities of local governments damaged or destroyed in such major disaster, providing temporary housing or other emergency shelter for families who, as a result of such major disaster, require temporary housing or other emergency shelter,[1] and making contributions to States and local governments for purposes stated in subsection (d). The authority conferred by this Act, and any funds provided hereunder shall be supplementary to, and not in substitution for, nor in limitation of, any other authority conferred or funds provided under any other law. Any funds received by Federal agencies as reimbursement for services or supplies furnished under the authority of this section shall be deposited to the credit of the appropriation or appropriations currently available for such services or supplies. The Federal Government shall not be liable for any claim based upon the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of a Federal agency or an employee of the Government in carrying out the provisions of this section.

SEC. 4. In providing such assistance hereunder, Federal agencies shall cooperate to the fullest extent possible with each other and with States and local governments, relief agencies, and the American National Red Cross, but nothing contained in this Act shall be construed to limit or in any way affect the responsibilities of the American National Red Cross under the Act approved January 5, 1905 (33 Stat. 599), as amended.

SEC. 5. (a) In the interest of providing maximum mobilization of Federal assistance under this Act, the President is authorized to coordinate in such manner as he may determine the activities of Federal agencies in providing disaster assistance. The President may direct any Federal agency to utilize its available personnel, equipment, supplies, facilities, and other resources, in accordance with the authority herein contained.

(b) The President may, from time to time, prescribe such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act, and he may exercise any power or authority conferred on him by any section of this Act either directly or through such Federal agency as he may designate.

SEC. 6. If facilities owned by the United States are damaged or

[1] Section 2 of Public Law 107, 82d Congress, approved August 3, 1951, 65 Stat. 173, added the language following the words "in such major disaster" which authorizes specifically the provision of temporary housing or other emergency shelter.

destroyed in any major disaster and the Federal agency having jurisdiction thereof lacks the authority or an appropriation to repair, reconstruct, or restore such facilities, such Federal agency is hereby authorized to repair, reconstruct, or restore such facilities to the extent necessary to place them in a reasonably usable condition and to use therefor any available funds not otherwise immediately required: *Provided, however,* That the President shall first determine that the repair, reconstruction, or restoration is of such importance and urgency that it cannot reasonably be deferred pending the enactment of specific authorizing legislation or the making of an appropriation therefor. If sufficient funds are not available to such Federal agency for use in repairing, reconstructing, or restoring such facilities as above provided, the President is authorized to transfer to such Federal agency funds made available under this Act in such amount as he may determine to be warranted in the circumstances. If said funds are insufficient for this purpose, there is hereby authorized to be appropriated to any Federal agency repairing, reconstructing, or restoring facilities under authority of this section such sum or sums as may be necessary to reimburse appropriated funds to the amount expended therefrom.

SEC. 7. In carrying out the purposes of this Act, any Federal agency is authorized to accept and utilize with the consent of any State or local government, the services and facilities of such State or local government, or of any agencies, officers, or employees thereof. Any Federal agency, in performing any activities under section 3 of this Act, is authorized to employ temporarily additional personnel without regard to the civil-service laws and the Classification Act of 1923, as amended, and to incur obligations on behalf of the United States by contract or otherwise for the acquisition, rental, or hire of equipment, services, materials, and supplies for shipping, drayage, travel and communication, and for the supervision and administration of such activities. Such obligations, including obligations arising out of the temporary employment of additional personnel, may be incurred by any agency in such amount as may be made available to it by the President out of the funds specified in section 8. The President may, also, out of such funds, reimburse any Federal agency for any of its expenditures under section 3 in connection with a major disaster, such reimbursement to be in such amounts as the President may deem appropriate.

SEC. 8. There is hereby authorized to be appropriated to the President a sum or sums, not exceeding $5,000,000 [1] in the aggregate, to carry out the purposes of this Act. The President shall transmit to the Congress at the beginning of each regular session a full report covering

[1] Public Law 80, 82d Congress, approved July 18, 1951, 65 Stat. 123, appropriated an additional $25,000,000 for disaster relief "to be expended without regard to the limitation in section 8" of Public Law 875.
The Independent Offices Appropriation Act, 1952, Public Law 137, 82d Congress, approved August 31, 1951, 65 Stat. 268, appropriated $800,000 for disaster relief as authorized by Public Law 875, to remain available until expended. Not exceeding 2 per centum of the $800,000 shall be available for administrative expenses.
The Flood Rehabilitation Act, 1952, Public Law 202, 82d Congress, approved October 24, 1951. 65 Stat. 615, appropriated an additional $5,000,000 for disaster relief.
Public Law 326, 82d Congress, approved April 24, 1952. 66 Stat. 64, appropriated an additional $25,000,000 for disaster relief to be expended without regard to the limitation in section 8 of Public Law 875, 81st Congress.

30. Miscellaneous

2. Disaster Relief [1]

## 1. FEDERAL ASSISTANCE—PUBLIC LAW 875, 81ST CONGRESS, AS AMENDED

[64 Stat. 1109; 42 U.S.C. 1855 (1946 ed., Supp. IV)]

AN ACT To authorize Federal assistance to States and local governments in major disasters, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That it is the intent of Congress to provide an orderly and continuing means of assistance by the Federal Government to States and local governments in carrying out their responsibilities to alleviate suffering and damage resulting from major disasters, to repair essential public facilities in major disasters, and to foster the development of such State and local organizations and plans to cope with major disasters as may be necessary.

SEC. 2. As used in this Act, the following terms shall be construed as follows unless a contrary intent appears from the context:

(a) "Major disaster" means any flood, drought, fire, hurricane, earthquake, storm, or other catastrophe in any part of the United States which, in the determination of the President, is or threatens to be of sufficient severity and magnitude to warrant disaster assistance by the Federal Government to supplement the efforts and available resources of States and local governments in alleviating the damage, hardships, or suffering caused thereby, and respecting which the governor of any State (or the Board of Commissioners of the District of Columbia) in which such catastrophe may occur or threaten certifies the need for disaster assistance under this Act, and shall give assurance of expenditure of a reasonable amount of the funds of the government of such State, local governments therein, or other agencies, for the same or similar purposes with respect to such catastrophe;

(b) "United States" includes the District of Columbia, Alaska, Hawaii, Puerto Rico, and the Virgin Islands;

(c) "State" means any State in the United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands;

(d) "Governor" means the chief executive of any State;

(e) "Local government" means any county, city, village, town, district, or other political subdivision of any State, or the District of Columbia;

(f) "Federal agency" means any department, independent establishment, Government corporation, or other agency of the executive branch of the Federal Government, excepting, however, the American National Red Cross.

[1] Executive Order 10221, issued March 2, 1951, 16 Fed. Reg. 2051, conferred upon the Housing and Home Finance Administrator the President's authority to direct Federal agencies to provide disaster assistance, and to coordinate the activities of Federal agencies in providing disaster assistance. See 30-2.3, Executive Order 10427, which revoked Executive Order

SEC. 3. In any major disaster, Federal agencies are hereby authorized when directed by the President to provide assistance (a) by utilizing or lending, with or without compensation therefor, to States and local governments, their equipment, supplies, facilities, personnel, and other resources, other than the extension of credit under the authority of any Act; (b) by distributing, through the American National Red Cross or otherwise, medicine, food, and other consumable supplies; (c) [1] by donating or lending equipment and supplies, determined under then existing law to be surplus to the needs and responsibilities of the Federal

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10221, and placed disaster assistance functions in the Director of the Office of Civil and Defense Mobilization (now the Office of Emergency Planning). See also section 203(h) of the National Housing Act as amended, 4-1.2; and section 305 of the National Housing Act, as amended 5-1. Vacancies in Federally-owned housing can be made available to disaster sufferers. Financial assistance can also be made available under Title I of the Housing Act of 1949, as amended, 7-1, for the clearance of blighted areas and preparation for rebuilding, and under sec. 701, Housing Act of 1954, 7-5, for planning assistance. Interest free advances can be made to communities for planning needed public works under the Housing Act of 1954, 10-1.3, and loans can be made under the public facility loan program, Housing Amendments of 1955, 10-2.3.

In addition, section 4(a)(4) of the Reconstruction Finance Corporation Act, as amended, 15 U.S.C. 604 (1946 ed. Supp. IV), authorized the RFC "to make such loans as it may determine to be necessary or appropriate because of floods or other catastrophes." The "Flood Rehabilitation Act, 1952," Public Law 202, 82d Congress, approved October 24, 1951, 65 Stat. 615, increased the limitation in sec. 4(c) of the RFC Act on the amount of disaster loans which could be made by RFC by $60,000,000 and added a proviso to section 4(c) as follows: "*Provided*, That any loan, including renewal or extension thereof, under section 4(a)(4) of such Act for acquisition or construction (including acquisition of the site therefor) of housing for the personal occupancy of the applicant, may be made for a period of not to exceed twenty years." Pursuant to the RFC Liquidation Act, Public Law 163, 83d Congress, approved July 30, 1953, 67 Stat, 230, the authority of the RFC to make loans was terminated September 28, 1953. Public Law 163 also established the Small Business Administration and authorized the Administration to make disaster loans, with the proviso that disaster loans for acquisition or construction of housing (including acquisition of the site) for the personal occupancy of the borrower might be made for a period not to exceed twenty years. Sec. 5 of Public Law 268, 84th Congress, approved August 9, 1955, 69 Stat. 547, 549, added a provision to Public Law 163 that the interest rate on such housing loans could be at a rate not to exceed 3 percentum per annum. Sec. 2 of Public Law 402, 84th Congress, approved February 2, 1956, 70 Stat. 10, amended Public Law 163 by fixing the maximum maturity for all disaster loans at 20 years, and also provided that the interest rate on the Small Business Administration's share of disaster loans shall not exceed 3 per cent per annum. Public Law 85-536, 85th Congress (Small Business Act), approved July 18, 1958, 72 Stat. 384-396, amended and rewrote Public Law 163, established the Small Business Administration as a permanent agency, and in section 7(b) continued the Administrator's authority to make 20 year 3 per cent disaster loans.

The Department of Agriculture also renders disaster assistance in the form of disaster loans to farmers, flood control surveys, and through its farm credit system.

DMO VII-7, Supp 1, filed Aug. 25, 1955, by the Office of Defense Mobilization (now the Office of Emergency Planning), 20 Fed. Reg. 6259, ordered that procurement agencies should use their best efforts to award procurement contracts to contractors located in disaster areas and to encourage prime contractors to award subcontracts to firms in those areas.

DMO VII-3, Supp. 1, effective Aug 27, 1955, 20 Fed. Reg. 6339, provided that controls on the distribution and use of materials and facilities should be used to assist in providing materials and facilities for the restoration of productive capacity damaged or destroyed by disaster. This was terminated effective April 1, 1957 (22 Fed. Reg. 1353) with respect to controls used for the restoration of productive capacity damaged or destroyed by the 1955 flood disasters in the Northeastern United States and on the West Coast. DMO VII-3, Supp. 1, was superseded by DMO 8400.1, 28 Fed. Reg. 12164. See 20-3.4.

DMO Reg. 1, Amdt. 1, effective August 24, 1955, 20 Fed. Reg. 6452, granted accelerated tax amortization for the reconstruction, rehabilitation, and replacement of emergency facilities destroyed or damaged by major disaster.

Executive Order 10634, issued August 25, 1955. 20 Fed. Reg. 6433, provided for loans under sec. 302 of the Defense Production Act of 1950, as amended, to aid in the reconstruction, rehabilitation and replacement of facilities destroyed or damaged by major disaster and required for national defense.

Prior to enactment of Public Law 875, 81st Congress, the Community Facilities Service performed disaster relief work under authority of Public Law 233, 80th Congress, approved July 25, 1947, 61 Stat. 422. Funds were made available to them from the President's Emergency Fund provided in the General Appropriation Act, 1951, Public Law 759, 81st Congress, approved September 6, 1950, 64 Stat. 595. Public Law 233 is repealed by section 9 of Public Law 875, 81st Congress.

[1] Clause (c) was amended to read as set forth in the text by Public Law 134, 83rd Congress, approved July 17, 1953, 67 Stat. 180.

30. Miscellaneous
2. Disaster Relief

## 2. ADMINSTRATION OF DISASTER RELIEF—EXECUTIVE ORDER 10221 (REVOKED [1])

[16 Fed. Reg. 2051 (1951)]

Providing for the Administration of Disaster Relief.

By virtue of the authority vested in me by the act of September 30, 1950, entitled "An Act to authorize Federal assistance to States and local governments in major disasters and for other purposes" (Public Law 875, 81st Congress), hereinafter referred to as the act, and as President of the United States, it is hereby ordered as follows:

1. The following-described authority and functions shall be exercised or performed by the Housing and Home Finance Administrator, or by any officer or officers in his agency designated by him:

(a) The authority conferred upon the President by section 3 of the act to direct Federal agencies to provide assistance in any disaster which is in the determination of the President a major disaster.

(b) The authority conferred upon the President by section 5 (a) of the act to coordinate the activities of Federal agencies in providing disaster assistance and to direct any Federal agency to utilize its available personnel, equipment, supplies, facilities, and other resources, in accordance with the authority contained in the act.

(c) The preparation of proposed rules and regulations for the consideration of the President and issuance by him under section 5 (b) of the act.

(d) The preparation of the annual and supplemental reports provided for by section 8 of the act, for the consideration of the President and transmittal by him to the Congress.

2. Nothing in this order shall be construed to prevent any Federal agency from affording such assistance and taking such other action as may accord with the existing policies, practices, or statutory authority of such agency, in the event of any disaster which will not permit delay in the commencement of Federal assistance or other Federal action, and pending the determination of the President whether the disaster is a major disaster.

HARRY S. TRUMAN

THE WHITE HOUSE,
*March 2, 1951*

[1] See Executive Order 10427, 30-2.3.

30. Miscellaneous

2. Disaster Relief

## 3. ADMINISTRATION OF DISASTER RELIEF—EXECUTIVE ORDER 10427

[18 Fed. Reg. 407 (1953)]

ADMINISTRATION OF DISASTER RELIEF

By virtue of the authority vested in me by the act of September 30, 1950, entitled "An Act of authorize Federal assistance to States and local governments in major disasters, and for other purposes", 64 Stat. 1109, as amended (42 U. S. C. 1855 ff.), hereinafter referred to as the act, and as President of the United States, it is hereby ordered as follows:

SECTION 1. The following-described authority and functions shall be exercised or performed by the Director of the Office of Emergency Planning: [1]

(a) The authority conferred upon the President by section 3 of the act to direct Federal agencies to provide assistance in major disasters.

(b) The authority conferred upon the President by section 5 (a) of the act to coordinate the activities of Federal agencies in providing disaster assistance, and to direct any Federal agency to utilize its available personnel, equipment, supplies, facilities, and other resources, in accordance with the authority contained in the act.

(c)[2] The authority conferred upon the President by section 7 of the Act to reimburse any Federal agency for any of its authorized expenditures made under section 3 of the Act in connection with a major disaster: *Provided, however,* that such reimbursement shall be made from funds allocated by the President to the Director [1] for use in aid of a specific State under section 2 (e) (2) of the Executive order [3] by which this subsection (c) was added to this order, and, *Provided further* that such authority shall be exercised subject to the concurrence of the Director of the Bureau of the Budget.

(d)[2] The authority to issue rules and regulations governing such reimbursement, subject to the concurrence of the Director of the Bureau of the Budget.

(e)[2] The authority to prescribe such rules and regulations as may

[1] Executive Order 10773, effective July 1, 1958, 23 Fed. Reg. 5061, provided that each reference in any prior Executive Order to the Federal Civil Defense Administrator, and to the Federal Civil Defense Administration was amended to refer to the Director of the Office of Defense and Civilian Mobilization and to the Office of Defense and Civilian Mobilization, respectively. Executive Order 10782, effective August 26, 1958, 23 Fed. Reg. 6971, amended Executive Order 10773 by substituting "Civil and Defense Mobilization" for "Defense and Civilian Mobilization".

Executive Order 11051 of September 27, 1962, 27 Fed. Reg. 9683, amended each reference to the Office of Civil and Defense Mobilization or to the Director thereof in Executive Order 10427 and other Executive orders to refer to the Office of Emergency Planning and the Director of the Office of Emergency Planning, respectively. Executive Order 11051 also revoked Executive Orders 10773 and 10782, among other Executive orders. See 20-3.1.

[2] This subsection inserted by section 3 of Executive Order 10737, issued October 29, 1957, 22 Fed. Reg. 8799.

[3] See 30-2.4 for Executive Order 10737.

be necessary and proper to carry out the provisions of sections 3 and 5 of the Act, as amended.

(f) The preparation of proposed rules and regulations for the consideration of the President and issuance by him under section 5 (b) of the act.

(g) The preparation of the annual and supplemental reports provided for by section 8 of the act for the consideration of the President and transmittal by him to the Congress.

SEC. 2. In order to further the most effective utilization of the personnel, equipment, supplies, facilities, and other resources of Federal agencies pursuant to the act during a major disaster, such agencies shall from time to time make suitable plans and preparations in anticipation of their responsibilities in the event of a major disaster. The Director of the Office of Emergency Planning shall coordinate on behalf of the President such plans and preparations.

SEC. 3. To the extent authorized by the act, the Director of the Office of Emergency Planning shall foster the development of such State and local organizations and plans as may be necessary to cope with major disasters.

SEC. 4. Nothing in this order shall be construed to prevent any Federal agency from affording such assistance and taking such other action as may accord with the existing policies, practices, or statutory authority of such agency in the event of any disaster which will not permit delay in the commencement of Federal assistance or other Federal action, and pending the determination of the President whether the disaster is a major disaster: *Provided,* that such assistance and such other action shall be subject to coordination by the Director of the Office of Emergency Planning, acting on behalf of the President.

SEC. 5. The Director of the Office of Emergency Planning may delegate any authority or function delegated or assigned to him by the provisions of this order to any other officer or officers of the Office of Emergency Planning or, with the consent of the head thereof, to any other Federal agency.

SEC. 6. Federal disaster relief provided under the act shall be deemed to be supplementary to relief afforded by State, local, or private agencies and not in substitution therefor; Federal financial contributions for disaster relief shall be conditioned upon reasonable State and local expenditures for such relief; the limited responsibility of the Federal Government for disaster relief shall be made clear to State and local agencies concerned; and the States shall be encouraged to provide funds which will be available for disaster relief purposes.

SEC. 7. As used herein, the terms "major disaster" and "Federal agency" shall have the meanings ascribed to them in the act.

SEC. 8. So much of the records of the Housing and Home Finance Agency relating to the activities delegated by Executive Order No. 10221 as the Housing and Home Finance Administrator and the Director of the Office of Emergency Planning shall jointly determine shall be transferred to the Office of Emergency Planning.

SEC. 9. Executive Order No. 10221 of March 2, 1951 (16 F. R. 2051), is hereby revoked: *Provided,* That the Housing and Home Finance Administrator is hereby authorized and directed to carry out and complete all activities, including reports thereon, provided for by that order in connection with any disaster determined, in accordance with the provisions of the act and prior to the effective date of this order, to be a major disaster: *And provided further,* That the Housing and Home Finance Administrator shall prepare the annual and supplemental reports provided for by section 8 of the act for the calendar year 1952 for the consideration of the President and transmitted by him to the Congress.

SEC. 10. This order shall become effective January 16, 1953.

HARRY S. TRUMAN

THE WHITE HOUSE
*January 16, 1953.*

30. Miscellaneous

2. Disaster Relief

## 4. ADMINISTRATION OF DISASTER RELIEF—EXECUTIVE ORDER 10737

[22 Fed. Reg. 8799; 8801 (1957)]

By virtue of the authority vested in me by the Act of September 30, 1950, entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes," as amended (42 U. S. C. 1855-1855g), hereinafter referred to as the Act, it is hereby ordered as follows:

SECTION 1. Any State in which a major disaster has occurred which can establish the need for Federal assistance and which shall give such assurance as may be required of expenditure of a reasonable amount of the funds of the government of such State, local governments therein, or other agencies, for the same or similar purpose with respect to such disaster shall be eligible to receive Federal assistance under this order.

SEC. 2. The following procedures for qualifying for assistance under this order shall be observed upon the occurrence, or, insofar as applicable, upon the threat, of a major disaster within a State which, in the opinion of its Governor, constitutes or will eventuate in, respectively, a major disaster requiring supplementary Federal assistance:

(a) The Governor shall present to the Director of the Office of Emergency Planning [1] (hereinafter referred to as the Director [1]), through the appropriate Regional Director [1] of the Office of Emergency Planning,[1] any request for Federal assistance, which request shall include assurance of expenditure of a reasonable amount of the funds of the State, local governments therein, or other agencies for alleviating damage resulting from such disaster, together with the following information:

(1) An estimate of the severity and extent of damage resulting from the disaster and the total funds, personnel, equipment, and material or other resources required to alleviate such damage. As

[1] Executive Order 10773, effective July 1, 1958, 23 Fed. Reg. 5061, provided (a) that each reference in any prior Executive order to the Federal Civil Defense Administrator is amended to refer to the Director of the Office of Defense and Civilian Mobilization; (b) that each reference in any prior Executive order to the Federal Civil Defense Administration is amended to refer to the Office of Defense and Civilian Mobilization; and (c) that each reference in Executive Order 10737 of October 29, 1957, 22 Fed. Reg. 8799; 8801, to a Regional Administrator of the Federal Civil Defense Administration was amended to refer to a Regional Director of the Office of Defense and Civilian Mobilization. Executive Order 10782, effective August 26, 1958, 23 Fed. Reg. 6971, amended Executive Order 10773 by deleting the words "Defense and Civilian Mobilization" whenever used as part of the title of any official or the name of any agency or body and by inserting in lieu thereof the words "Civil and Defense Mobilization."

Executive Order 11051 of September 27, 1962, 27 Fed. Reg. 9683, provided that each reference in Executive Order 10737, and other Executive orders, to the Office of Civil and Defense Mobilization or to the Director of the Office of Civil and Defense Mobilization is amended to refer to the Office of Emergency Planning and the Director of the Office of Emergency Planning, respectively. Executive Order 11051 also revoked Executive Order 10773 and Executive Order 10782, among other Executive orders. See 20-3.1.

used in this order, the term "damage" comprehends suffering and hardship.

(2) A statement of action taken or recommended to be taken by the State legislature or local legislative and governing authorities with regard to the disaster.

(3) An estimate of State and local funds, personnel, equipment and material or other resources, available and to be made available, to alleviate such damage.

(4) A statement of the extent and nature of Federal assistance needed, including an estimate of the minimum Federal funds, personnel, equipment, material or other resources needed to alleviate the damage.

(b) Any Regional Director shall forward each request for Federal assistance received by him from a Governor in consonance with the provisions of this order, together with a report and the recommendations of the Regional Director thereon, to the Director of the Office of Emergency Planning.

(c) The Director of the Office of Emergency Planning shall forward to the President each request of a Governor for assistance under this order, together with the Director's recommendation as to action by the President thereon. In arriving at his recommendation the Director shall consider (1) the severity and extent of the disaster, (2) the reasonableness of State and local efforts in relation to the severity of the disaster, the resources and funds available to State and local governments for the alleviation of damage resulting from the disaster, and the operational disaster plans of the State and local governments, (3) the extent and nature of Federal assistance requested, (4) the report and recommendation of the Regional Director, and (5) any other available information.

(d) Upon consideration of any request of a Governor hereunder and of information and recommendations pertaining thereto, a determination will be made by the President as to whether or not the conditions constitute a major disaster within the meaning of the Act, and the Governor will be notified immediately of such determination.

(e) If it is determined that a major disaster has occurred or threatens,

(1) Federal assistance will be made available on the basis of an agreement, which shall be jointly executed by the Governor, acting for the State, and the Director, acting for the Federal Government. Such agreement shall contain the assurance of the State that a reasonable amount of the funds of the State, local governments or other agencies therein will be expended in alleviating damage caused by the disaster and such other terms and conditions, consistent with the provisions of the Act, as the Director may require.

(2) If and as may be necessary, the President will allocate to the Director funds for use in connection with the specific major disaster. The funds so allocated to the Director may be utilized by him (i) upon a showing of need, for reallocation for use in aid of the State and local governments, and (ii) for reimbursement pursuant to the provisions of section 1 (c) of Executive Order No. 10427 of January 16, 1953, as added by this order.

(f) Federal assistance heretofore or hereafter extended under the Act shall terminate upon notice by the Director to the Governor of the State in which a major disaster has occurred, or upon the expiration of one year from the date of notification to the Governor of the President's determination that a major disaster exists, whichever is first: *Except, however,* in unusual circumstances, the Director with the consent of the President, may extend this period: *Provided,* That upon a showing of need, the Director may extend such termination dates, for such purposes and such periods of time as he may determine to be necessary, with respect to disaster relief assistance solely for agricultural purposes.

SEC. 3.[1]

SEC. 4. (a) The Director of the Office of Emergency Planning may carry out any authority or function delegated or assigned to him by the provisions of this order through any other officer of the Office of Emergency Planning.

(b) The Director of the Office of Emergency Planning may delegate or assign to the head of any agency of the executive branch of the Government, subject to the consent of the agency head concerned in each case, any authority or function delegated or assigned to the said Director by the provisions of this order. Any such head of agency may redelegate any authority or function so delegated or assigned to him by the Director to any officer or employee subordinate to such head of agency whose appointment is required to be made by and with the advice and consent of the Senate.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
*October 29, 1957.*

[1] Section 3 amended section 1 of Executive Order 10427. 30-2.3.

30. Miscellaneous

2. Disaster Relief

## 5. ADMINISTRATION OF FEDERAL DISASTER ASSISTANCE—REVISION—OFFICE OF EMERGENCY PLANNING [1]

[27 Fed. Reg. 8789]

**§ 1710.1 Purpose.**

The purpose of this part is to prescribe the standards and procedures to be followed in providing Federal assistance to supplement the efforts and available resources of States and local governments in alleviating the damage, hardship or suffering caused by major disasters, under Public Law 875, 81st Congress, as amended (42 U.S.C. 1855–1855g). Executive Order 10427, dated January 16, 1953, and Executive Order 10737, dated October 29, 1957.

**§ 1710.2 Definitions.**

Except as otherwise stated, the following terms shall have the following meanings when used in the regulations in this part:

(a) *Act.* Means the Act of September 30, 1950, entitled "An Act To Authorize Federal Assistance to State and Local Governments in Major Disasters and for Other Purposes" (64 Stat. 1109, 42 U.S.C. 1855–1855g), as amended, popularly known as the "Federal Disaster Act."

(b) *Major disaster.* Means any flood, drought, fire, hurricane, earthquake, storm, or other catastrophe in any part of the United States which, in the determination of the President, is or threatens to be of sufficient severity and magnitude to warrant disaster assistance by the Federal Government to supplement the efforts and available resources of States and local governments in alleviating the damage, hardship, or suffering caused thereby, and respecting which the Governor of any State (or the Board of Commissioners of the District of Columbia) in which such catastrophe may occur or threaten certifies the need for disaster assistance under the Act, and shall give assurance of expenditure of a reasonable amount of the funds of the government of such State, local governments therein, or other agencies, for the same or similar purposes with respect to such catastrophe;

(c) *Damage.* Includes suffering and hardship;

(d) *United States.* Includes the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands;

(e) *State.* Any State in the United States, Puerto Rico, the Virgin

[1] The original regulation was issued by the Federal Civil Defense Administration, 23 Fed. Reg. 3636, which was consolidated into the Office of Defense and Civilian Mobilization by Reorganization Plan No. 1 of 1958, effective July 1, 1958, 23 Fed. Reg. 4991. Public Law 85-763, approved August 26, 1958, 72 Stat. 861, changed the name to the Office of Civil and Defense Mobilization. Public Law 87-296, approved September 22, 1961, 75 Stat. 630, changed the name of the Office of Civil and Defense Mobilization to the Office of Emergency Planning.

Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands;

(f) *Local Government.* Any county, city, village, town, district, or other political subdivision of any State, or the District of Columbia;

(g) *Federal Agency.* Any department, independent establishment, government corporation, or other agency of the Executive Branch of the Federal Government excepting, however, the American National Red Cross;

(h) *Governor.* The Chief Executive of any State;

(i) *Director.* The Director of the Office of Emergency Planning;

(j) *Regional Director.* A Director of a Regional Office of the Office of Emergency Planning.

(k) *Federal assistance.* Assistance which is supplementary to relief afforded by State, local, or private agencies, and not in substitution therefor.

(l) *Termination.* Termination, as used in this part, means completion of all physical work to be accomplished and therefore the end of the need for Federal assistance.

**§ 1710.3 Policy.**

(a) It is the policy of the Office of Emergency Planning to provide an orderly and continuing means of supplemental assistance by the Federal Government to States and local governments in carrying out their responsibilities to alleviate suffering and damage resulting from major disasters.

(b) It is also the policy to foster the development of State and local organizations and plans for coping with major disasters, and to provide advice and guidance to States and local governments on organization and planning to meet the effects of major disasters and to assure the maximum application of this experience in preparing Federal, State and local governments to meet the effects of enemy attack.

**§ 1710.4 Requests for Federal assistance.**

(a) Upon the occurrence or threat of a catastrophe within a State which, in the opinion of its Governor (or the Board of Commissioners of the District of Columbia) constitutes, or will constitute, a major disaster requiring supplementary Federal assistance, the Governor shall present to the Director, through the appropriate Regional Director, a request for Federal assistance. The request shall contain the certification required by § 1710.15(a) and shall include assurance of expenditure of a reasonable amount of the funds of State, local governments, or other agencies therein, for alleviating damage resulting from such disaster. In addition, the request shall contain the following information and data:

(1) An estimate of the severity and extent of damage resulting from the disaster, and the total funds, personnel, equipment, and material or other resources required to alleviate such damage.

(2) A statement of action taken or recommended to be taken by the

State legislature or local legislative and governing authorities with regard to the disaster.

(3) An estimate of State and local funds, personnel, equipment and material or other resources, available and to be made available, to alleviate such damage.

(4) A statement of the extent and nature of Federal assistance needed, including an estimate of the minimum Federal funds, personnel, equipment, material or other resources necessary to supplement the efforts and available resources of the State in alleviating the damage.

(b) When the request of a Governor for Federal assistance is solely for agricultural relief purposes and such assistance is to be furnished by virtue of authority other than the Act, and the exercise of such other authority is dependent upon the existence of a major disaster declared pursuant to the Act, the following shall apply:

(1) The Governor shall forward a copy of his request for Federal assistance to the Secretary of Agriculture at the same time he forwards his request to the Regional Director as provided in this section.

(2) The Secretary of Agriculture will conduct an investigation relative to the propriety of declaring a major disaster in accordance with the delegation of authority from the Director for such purposes, and submit to the President, through the Director, his recommendations thereon.

**§ 1710.5 Processing the request of a Governor for a declaration of a "major disaster".**

(a) The Regional Director shall forward the Governor's request, together with his report and recommendations, to the Director.

(b) The Director shall forward the Governor's request to the President, together with his recommendation as to action by the President thereon. In formulating his recommendation concerning a declaration, the Director shall consider:

(1) The severity and extent of the disaster;

(2) The reasonableness of State and local efforts in relation to the severity of the disaster, the resources and funds available to State and local governments for the alleviation of damage resulting from the disaster, and the operational disaster plans of the State and local governments;

(3) The extent and nature of Federal assistance requested;

(4) The report and recommendation of the Regional Director;

(5) Any other available information.

**§ 1710.6 Initiation of Federal assistance.**

Upon a declaration by the President that a major disaster exists, the Director will immediately initiate action to provide Federal assistance in accordance with such declaration, allocation of funds by the President, applicable law and this part. The determination of the President, with respect to the declaration of a major disaster, will be promptly transmitted to the Governor of the State concerned.

**§ 1710.7 Allocations to the Director.**

Upon allocation of funds by the President to the Director to provide assistance to State and local governments in a major disaster, funds so allocated may be reallocated by the Director: (a) (1) Upon a showing of need, to the State and local governments for utilization for the purposes of the Act; (2) for providing direct assistance to the States for the purposes set forth in section 3 of the Act; and (b) for reimbursement of any Federal agency for any of its authorized expenditures directed by the Director pursuant to sections 3 and 7 in connection with a major disaster: *Provided, however,* That such reimbursement of Federal agencies shall be made in accordance with the regulations of the Director and subject to the concurrence of the Director of the Bureau of the Budget.

**§ 1710.8 Federal-State Disaster Assistance Agreements.**

(a) Upon the declaration of a major disaster, a Federal-State Disaster Assistance Agreement will be executed by the Governor (or the Acting Governor) acting for the State and the appropriate Regional Director, acting for the Federal Government. Such Agreement shall provide for the manner in which Federal assistance is to be made available and contain the assurance of the State that a reasonable amount of the funds of the State, local governments or other agencies therein will be expended in alleviating damage caused by the disaster. The Agreement will also contain such other terms and conditions consistent with the provisions of the Act, Executive Orders 10427 and 10737, and this part, as the Director may require, including but not limited to a clause which contains the requirements set forth in § 1710.16.

(b) The Agreement may provide for assistance to be furnished by other Federal agencies, financial assistance to be furnished for protective and other work for the protection of life and property, debris and wreckage clearance, and emergency repairs and temporary replacement of essential public facilities of States and local governments, or other assistance to be provided pursuant to the Act and in accordance with this part.

(c) In the event the President has allocated funds to the Director for use in connection with a major disaster, every Federal-State Disaster Assistance Agreement shall contain the following provision:

Federal assistance under this Agreement and applicable law and regulations shall not exceed the sum of $..... This sum includes the amount of $..... to be reserved by the Director for such reallocations as he deems proper, including such amount as he may determine necessary for the reimbursement of other Federal agencies for their expenditures in connection with furnishing assistance in this disaster. Not more than $..... shall be available for transfer to the State under this Agreement, and project applications submitted under this Agreement and applicable Federal regulations will not be approved in excess of this amount.

(d) In the event funds are to be transferred to a State for disaster

relief purposes under an allocation made by the Director, every Federal-State Disaster Assistance Agreement shall contain, and the State and its political subdivisions will agree to, the following provision:

In the event that a State or local government violates any of the conditions imposed upon disaster relief assistance under law, this Agreement or applicable Federal regulations, the Director will notify the State of said violation and the necessary corrective measures, and will notify the State that additional financial assistance for the purpose of the project in connection with which the violation occurred will be withheld until such violation has been corrected: *Provided,* That, if the Director, after such notice to the State, is not satisfied with the corrective measures taken to comply with his notification, the Director will notify the State that further financial assistance will be withheld for the project for which it has been determined that a violation exists, or for all or any portion of financial assistance which has or is to be made available to the State or local governments for the purpose of disaster relief assistance under the provisions of this Agreement, applicable Federal regulations and the Act.

(e) The following provisions shall be included in every Federal-State Disaster Assistance Agreement entered into:

In connection with the performance of work under this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order No. 10925 of March 6, 1961, as amended, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

(5) The contractor will furnish all information and reports required by Executive Order 10925 of March 6, 1961, as amended, and by the

rules, regulations, and orders of the said Committee, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 10925 of March 6, 1961, as amended, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation, or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

(7) The contractor will include the provisions of the foregoing paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the President's Committee on Equal Employment Opportunity issued pursuant to section 303 of Executive Order 10925 of March 6, 1961, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: *Provided, however,* That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

(f)[1] Federal financial assistance to the States or their political subdivisions is conditioned on full compliance with OEP Regulation 5 issued pursuant to Title VI of the Civil Rights Act of 1964, 30 F.R. 321, January 9, 1965.

(g) The following provision shall be included in every Federal-State Disaster Assistance Agreement entered into:

No member of or Delegate to Congress, or resident commissioner, shall be admitted to any share or part of this agreement, or to any benefit to arise thereupon; Provided, however, this provision shall not be construed to extend to any contract made with a corporation for its general benefit.

**§ 1710.9 Project applications.**

(a) Federal financial assistance shall be provided on the basis of project applications submitted by the State and local governments and approved by the Regional Director pursuant to the Federal-State Disaster Assistance Agreement and in accordance with this part. The project application will provide the basis of a request for an advance or a reimbursement for such expenditure: *Provided,* That the total of all advances and requests for reimbursement shall not exceed the amount of financial assistance stipulated in the aforementioned agreement.

[1] New paragraph (f) added and following paragraph redesignated (g) effective February 8, 1965 (30 Fed. Reg. 1777).

(b) Payments will be made directly to the State for its own use or for the use of the particular local government.

(c) If a project application is approved without change by the Office of Emergency Planning, signed copies thereof evidencing such approval shall be returned to the State.

(d) If OEP's approval of the project application is made subject to revisions or additional conditions, the project application may be given provisional approval and returned to the State (and through the State to the political subdivision, if applicable) for consent to such revisions or additional conditions. If the State (and the political subdivision, if applicable) accepts such revisions or additional conditions, it shall so signify by signing and returning the project application.

(e) If disapproved, the project application shall be returned to the State with a statement of the reasons for such disapproval.

(f) Project applications shall be submitted not later than ninety days following the date of the President's declaration of a major disaster. If the circumstances of the disaster are such as to make an immediate detailed assessment of damage impossible, the Regional Director may extend this period provided that the extension does not conflict with the time limits established under § 1710.16: *Provided, however,* That if the project application is disapproved by the Regional Director, because of inadequacy of information, it may be resubmitted by the State within thirty days of the date of the return to the State: *And provided further,* That if again disapproved by the Regional Director, it may be resubmitted, in writing, within thirty days of such disapproval through the Regional Director with any further justification for consideration by the Director.

(g) Every project application shall contain a certification by the Governor, or his authorized representative, that Federal financial assistance involved will be, or has been, expended in accordance with applicable law and regulations thereunder.

**§ 1710.10 Criteria of eligibility for financial assistance.**

Federal financial assistance under Public Law 875 shall be limited to protective work and other work for the protection of life and property, debris and wreckage clearance, and emergency repairs and temporary replacement of essential public facilities of States and local governments, including provisions for temporary housing or emergency shelter.

(a) *Protective work.* In providing financial assistance for the performance on public or private lands of protective or other work essential to the preservation of life and property, the following criteria shall apply:

(1) When necessary to preserve life, protective and other work shall be limited to the minimum amount necessary to remove the immediate threats to health and safety.

(2) When necessary to preserve property, protective and other work shall be limited to the minimum amount necessary to prevent immediate damage to such property.

(b) *Debris and wreckage clearance.* In providing financial assistance for clearing of debris and wreckage, the following criteria shall apply:

(1) Clearing of debris and wreckage may be accomplished on public property which is essential to the immediate resumption of essential public services.

(2) Clearance of debris and wreckage may also be accomplished under this paragraph upon public or private property, when the public health or safety is endangered or threatened.

(c) *Emergency repairs and temporary replacements.* In providing financial assistance for making emergency repairs to and temporary replacements of public facilities of States and local governments which have been damaged or destroyed, the following criteria shall apply:

(1) Emergency repairs and temporary replacements shall be made only to those facilities the operation of which is essential to health, safety or welfare.

(2) Assistance in making emergency repairs or temporary replacements shall be limited to providing for the resumption of essential public services until such time as permanent repairs or replacements may be made, except when specifically authorized by the Director pursuant to subparagraph (3) of this paragraph.

(3) A Federal financial contribution toward the permanent replacement of a public facility, in lieu of and in an amount no greater than that estimated to be required for the temporary replacement or emergency repair, may be authorized where such permanent replacement will expeditiously permit the resumption of the essential public service provided by the facility.

(d) *Temporary housing or emergency shelter.* In providing assistance under this section for temporary housing or other emergency shelter for persons requiring such housing or shelter as a result of the disaster, the following criteria shall apply:

(1) Prior to provision of temporary housing or other emergency shelter a determination of the need for same will be made by the Regional Director after consultation and survey of available facilities by the Housing and Home Finance Agency, the American National Red Cross, and such officials of State and local governments as he deems appropriate.

(2) Assistance for temporary housing or emergency shelter shall be limited to the minimum required to provide shelter during such period of time as would be reasonably necessary to permit the construction or repair of permanent housing in the area, or relocation of displaced persons in permanent housing in unaffected areas.

**§ 1710.11 State action in connection with Federal assistance.**

(a) The Governor of the State shall designate an appropriate State official, Board or Committee which shall review all project applications. In addition, the Governor (or his designee) shall certify that the project application meets all the requirements and conditions of the Agreement,

the Act, the regulations thereunder, and such other terms established by the Director.

(b) Federal funds shall be controlled in accordance with accepted or prescribed methods of accounting, identification and administrative responsibilities. Representatives of the Office of Emergency Planning and the General Accounting Office shall have access during normal business hours to the books and records of the State, local governments, and other agencies relating to Federal financial assistance under the Act.

(c) Procurement of work and services under project applications hereunder must comply with all statutes, regulations and ordinances covering procurement of such supplies and services by such State or the political subdivision thereof.

**§ 1710.12 Assistance rendered by Federal agencies.**

(a) Upon the declaration of a major disaster, the Director may direct any Federal agency, and such Federal agency shall provide assistance to State and local governments by:

(1) Utilizing or lending its equipment, supplies, facilities, personnel and other resources, other than the extension of credit;

(2) Distributing through the American National Red Cross, or otherwise, medicine, food, or other consumable supplies;

(3) Donating or lending equipment and supplies surplus to the needs of the Federal Government in accordance with the provisions of § 1710.13;

(4) Performing on public or private lands protective and other work essential for the preservation of life and property, clearing debris and wreckage, making emergency repairs to, and temporary replacement of, public facilities of States and local governments damaged or destroyed in a major disaster.

(b) The Director will coordinate the activities of Federal agencies in providing disaster assistance and may direct any Federal agency to furnish such assistance as he determines appropriate.

(c) Assistance to be furnished by any Federal agency under paragraph (a)(4) of this section shall be subject to the same criteria of eligibility provided for under § 1710.10.

(d) Assistance under paragraph (a) of this section, when directed by the Director, shall not affect the authority of any Federal agency to provide disaster relief assistance independent of the Act: *Provided,* Such disaster relief assistance by other Federal agencies shall be subject to the Coordination of the Director.

**§ 1710.13 Federal assistance by loan or donation of Federal surplus property to the States.**

(a) The States shall, when available, make maximum utilization of Federal surplus property.

(b) The Federal Government will donate or lend equipment and supplies determined to be surplus to the needs and responsibilities of the

Federal Government, to States for use or distribution by them for the purposes of the Act, including the restoration of public facilities damaged or destroyed in such disaster and the essential rehabilitation of individuals in need as a result of such major disaster. The loan or donation of such surplus property shall be made to the States upon the basis of a certification by the State that such property is usable and necessary for disaster relief purposes, and will be made in accordance with the procedures prescribed by the General Services Administration.

(c) The States may obtain information on the availability of surplus property from the State surplus property agency, or the State agency designated for such purposes under State law. Assistance and information with regard to property which may be usable or necessary for disaster relief purposes may also be available from the Regional Coordinator of Surplus Property of the Department of Health, Education and Welfare, or the appropriate OEP Region.

(d) Property acquired by State and local governments under the Contributions Program of the Department of Defense, Office of Civil Defense, or which has been donated to the States for Civil Defense purposes pursuant to the Department of Defense, Office of Civil Defense, Surplus Property Program, may be utilized by the States and local governments therein in combating the effects of major disasters. When property so utilized is consumed, damaged or destroyed, the State or local government may be eligible for Federal financial assistance to repair or replace such property: *Provided, however,* When such property is damaged, consumed, or destroyed in combating the effects of a major disaster, replacement by the State or local government may be waived by the Department of Defense, Office of Civil Defense.

(e) Surplus property which may be utilized in combating the effects of a major disaster may not be donated to the States for this purpose prior to the declaration of a major disaster: *Provided, however,* That for replacement purposes of property damaged, consumed, or destroyed in combating the effects of a major disaster, the State or local government may be eligible to receive donated surplus property for such purposes; or, in the discretion of the Assistant Secretary of Defense (Civil Defense), Federal financial assistance for such replacement under this part or under the Department of Defense, Office of Civil Defense, Contributions Program may be extended to such State or local government.

**§ 1710.14 The American National Red Cross.**

The disaster relief capabilities of the American National Red Cross shall be utilized to the maximum extent. Where practical, the distribution of medicine, food, and other consumable supplies shall be made by the American National Red Cross in accordance with the Memorandum of Understanding between the Office of Emergency Planning and the American National Red Cross. Nothing contained herein shall be construed to limit or in any way affect the responsibilities of the American National Red Cross.

**§ 1710.15 Minimum State and local expenditures.**

(a) Federal assistance under Public Law 875 in any State will be available only after the Governor of that State certifies that the total of State and local expenditures and obligations (or resources utilized) by the government of each State, local government thereof, or other agencies (over and above their normal expenditures) for disaster relief purposes exceeds an amount published by the Director as the minimum [1] for that State in that disaster and for all disasters during the twelve-month period immediately preceding the request for assistance under Public Law 875.

(b) The Director, in unusual circumstances, or in disasters in which exceptional destruction and/or suffering and hardship have occurred, may waive in whole or in part this requirement.

**§ 1710.16 Time limits.**

Federal assistance extended under the Act shall terminate upon notice by the Director to the Governor of the State or upon the expiration of one year from the date of notification to the Governor of the President's determination that a major disaster exists, whichever is first, except that upon a showing of unusual circumstances, the Director, with the consent of the President, may extend this period: *Provided,* That, upon a showing of the need and with the recommendation of the Secretary of Agriculture, the Director may extend such termination dates, for such purposes and such periods of time as he may determine to be necessary, with respect to disaster relief assistance solely for agricultural purposes.

**§ 1710.17 Utilization of State and local agencies.**

In carrying out disaster relief assistance under the Act and this part, any Federal agency is authorized to accept and utilize, with the consent of the State or local government, the services, personnel, materials and facilities of such State or local agency in connection with the disaster: *Provided, however,* Such utilization shall not be considered to make such services, personnel, materials, or facilities, Federal in nature, or to make the State, local governments, or agencies thereof an arm or agent of the Federal Government.

*Effective date.* This part shall take effect upon the date of publication in the FEDERAL REGISTER.[2]

Dated: August 24, 1962.

EDWARD A. MCDERMOTT
*Director,*
*Office of Emergency Planning.*

[1] Notice of Minimum State and Local Expenditures was published in Federal Register of April 9, 1959, 24 Fed. Reg. 2759.
[2] September 1, 1962.

30. Miscellaneous

2. Disaster Relief

## 6. EXCERPTS FROM 1964 AMENDMENTS TO ALASKA OMNIBUS ACT

[Public Law 88-451, 78 Stat. 505-507]

AN ACT TO amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "1964 Amendments to the Alaska Omnibus Act".

SEC. 2. The Congress hereby recognizes that the State of Alaska has experienced extensive property loss and damage as a result of the earthquake of March 27, 1964, and subsequent seismic waves, and declares the need for special measures designed to aid and accelerate the State's efforts in providing for the reconstruction of the areas in the State devastated by this natural disaster.

* * *

SEC. 4. The Alaska Omnibus Act (73 Stat. 141) is amended by adding the following new sections at the end of section 50 thereof:

"NEW FEDERAL LOAN ADJUSTMENTS

* * *

"SEC. 52. The Housing and Home Finance Administrator is authorized to compromise or release such portion of any note or other obligation held by him with respect to property in Alaska pursuant to title II of the Housing Amendments of 1955 [1] or included within the revolving fund for liquidating programs established by the Independent Offices Appropriation Act of 1955,[2] as he finds necessary because of loss, destruction, or damage to facilities securing such obligations by the 1964 earthquake and subsequent seismic waves.

"URBAN RENEWAL

"SEC. 53. The Housing and Home Finance Administrator is authorized to enter into contracts for grants not exceeding $25,000,000 for urban renewal projects in Alaska, including open land projects, under section 111 of the Housing Act of 1949[3] which he determines will aid the communities in which they are located in reconstruction and redevelopment made necessary by the 1964 earthquake and subsequent

[1] Public Facility Loan Program. See 10-2.3.
[2] See 2-2.4.
[3] See 7-1.

seismic waves. Such authorization shall be in addition to and separate from any grant authorization contained in section 103(b) of said Act.[1]

"The Administrator may increase the capital grant for a project assisted under this section to not more than 90 per centum of net project cost where he determines that a major portion of the project area has either been rendered unusable as a result of the 1964 earthquake and subsequent seismic waves or is needed in order adequately to provide, in accordance with the urban renewal plan for the project, new locations for persons, businesses, and facilities displaced by the earthquake."

* * *

"PURCHASE OF ALASKA STATE BONDS

"SEC. 56. The Housing and Home Finance Administrator is authorized to purchase, in accordance with the provisions of sections 202(b), 203, and 204 of title II of the Housing Amendments of 1955,[2] the securities and obligations of, or make loans to, the State of Alaska to finance any part of the programs needed to carry out the reconstruction activities in Alaska related to the 1964 earthquake and subsequent seismic waves or to complete capital improvements begun prior to the earthquake: *Provided,* That the aggregate amount of such purchase or loan shall not exceed $25,000,000.

"RETIREMENT OR ADJUSTMENT OF OUTSTANDING MORTGAGE OBLIGATION

"SEC. 57. For the purpose of enabling the State of Alaska to retire or adjust outstanding home mortgage obligations or other real property liens secured by one to four family homes which were severely damaged or destroyed in the March 1964 earthquake and subsequent seismic waves, the President is authorized [3] to make additional grants to the State of Alaska in an amount not to exceed a total of $5,500,000 to match, on a fifty-fifty basis, any funds provided by the State to pay the costs of retiring or adjusting such mortgage obligations. In order to be approved, a State application for a grant for carrying out the purpose of this section must: (1) be in accordance with a plan submitted by the State, to be approved by the President,[3] for the implementation of the purpose of this section; (2) designate the State agency for retiring or adjusting said mortgage obligations; (3) provide that the mortgagor shall be required to absorb the damage loss to the entire extent of his equity interest in the property and also agree to pay at least $1,000 of the outstanding mortgage balance; (4) provide that no payments for retiring or adjusting mortgage obligations on a single property shall exceed $30,000; (5) provide regulations to assure equitable treatment among home owners and to prevent unjustified payments or gains to the State, mortgagees or mortgagors; and (6) provide that the State agency will make such reports, in such form and con-

[1] See 7-1.
[2] Public Facility Loan Program. See 10-2.3.
[3] See Executive Order 11196, 2-2.6, empowering the Housing and Home Finance Administrator to perform this function without the approval, ratification, or other action of the President.

30. Miscellaneous

3. International Housing and Community Development—Exchange of Data

# 1. AUTHORIZATION—EXCERPT FROM THE HOUSING ACT OF 1957

[Public Law 85-104, 85th Congress, 71 Stat. 294, 304]

EXCHANGE OF DATA

SEC. 604. The Housing and Home Finance Administrator shall exchange data relating to housing and urban planning and development with other nations where such exchange is deemed by him to be beneficial to the programs of the Housing and Home Finance Agency.

Approved July 12, 1957.

30. Miscellaneous

3. International Housing and Community Development

## 2. EXCERPTS FROM THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED [1]

[Public Law 87-195, 75 Stat. 424, 22 U.S.C.A. 2151 et seq]

SEC. 102. STATEMENT OF POLICY.—It is the sense of the Congress that peace depends on wider recognition of the dignity and interdependence of men, and survival of free institutions in the United States can best be assured in a worldwide atmosphere of freedom.

To this end, the United States has in the past provided assistance to help strengthen the forces of freedom by aiding peoples of less developed friendly countries of the world to develop their resources and improve their living standards, to realize their aspirations for justice, education, dignity, and respect as individual human beings, and to establish responsible governments.

* * *

It is the policy of the United States to strengthen friendly foreign countries by encouraging the development of their free economic institutions and productive capabilities, and by minimizing or eliminating barriers to the flow of private investment capital.

It is the sense of the Congress that the institution of full investment guaranty programs under title III of chapter 2 of this part with all recipient countries would be regarded as a significant measure of self-help by such countries improving the climate for private investment both domestic and foreign.

In addition, the Congress declares that it is the policy of the United States to support the principles of increased economic cooperation and trade among countries, freedom of the press, information, and religion, freedom of navigation in international waterways, and recognition of the right of all private persons to travel and pursue their lawful activities without discrimination as to race or religion. The Congress further declares that any distinction made by foreign nations between American citizens because of race, color, or religion in the granting of, or the exercise of, personal or other rights available to American citizens is repugnant to our principles. In the administration of all parts of this Act these principles shall be supported in such a way in our relations with countries friendly to the United States which are in controversy with each other as to promote an adjudication of the issues involved by means of international law procedures available to the parties.

Accordingly, the Congress hereby affirms it to be the policy of the United States to make assistance available, upon request, under this

[1] See 40-1(1964)-6 for excerpts from the Foreign Aid and Related Agencies Appropriation Act, 1964, Public Law 88-258, approved January 6, 1964, 77 Stat. 858, 859, and 860.
See also 40-1(1965)-7 for excerpts from the Foreign Assistance and Related Agencies Appropriation Act, 1965, Public Law 88-634, approved October 7, 1964, 78 Stat. 1015, 1017, 1018.

part in scope and on a basis of long-range continuity essential to the creation of an environment in which the energies of the peoples of the world can be devoted to constructive purposes, free of pressure and erosion by the adversaries of freedom. It is the sense of the Congress that assistance under this part should be complemented by the furnishing under any other Act of surplus agricultural commodities and by disposal of excess property under this and other Acts.

Also, the Congress reaffirms its conviction that the peace of the world and the security of the United States are endangered so long as international communism continues to attempt to bring under Communist domination peoples now free and independent and to keep under domination peoples once free but now subject to such domination. It is, therefore, the policy of the United States to continue to make available to other free countries and peoples, upon request, assistance of such nature and in such amounts as the United States deems advisable and as may be effectively used by free countries and peoples to help them maintain their freedom. Assistance shall be based upon sound plans and programs; be directed toward the social as well as economic aspects of economic development; be responsive to the efforts of the recipient countries to mobilize their own resources and help themselves; be cognizant of the external and internal pressures which hamper their growth; and shall emphasize long-range development assistance as the primary instrument of such growth.

It is the sense of Congress that in the administration of these funds great attention and consideration should be given to those countries which share the view of the United States on the world crisis and which do not, as a result of United States assistance, divert their own economic resources to military propaganda efforts, supported by the Soviet Union or Communist China, and directed against the United States or against other countries receiving aid under this Act.

The Congress further declares that in the administration of programs of assistance under this Act the highest practicable emphasis should be given to: programs providing for loans or loan guarantees for use by institutions and organizations in making repayable low-interest rate loans to individuals in friendly foreign countries for the purchase of small farms, the purchase of homes, the establishment, equipment and strengthening of small independent business concerns, purchase of tools or equipment needed by individuals for carrying on an occupation or a trade or financing the opportunity for individuals to obtain practical education in vocational and occupational skills, and to those programs of technical assistance and development which will assist in carrying out and in preparing a favorable environment for such programs. While recognizing that special requirements, differing development needs and political conditions in various assisted countries will affect the priority of such programs and of each country's relative ability to implement them, it is further the sense of Congress that each such assisted country should be encouraged to give adequate recognition

to such needs of the people in the preparation of national development programs.

* * *

It is the sense of the Congress that, in the administration of programs of assistance under chapter 2 of this part, every possible precaution should be taken to assure that such assistance is not diverted to short-term emergency purposes (such as budgetary purposes, balance-of-payments purposes, or military purposes) or any other purpose not essential to the long-range economic development of recipient countries.

The Congress urges that all other countries (including private enterprise within such countries) able to contribute join in a common undertaking to meet the goals stated in this part. In particular, the Congress urges that other industrialized free-world countries increase their contributions and improve the forms and terms of their assistance so that the burden of the common undertaking, which is for the benefit of all, shall be equitably borne by all. It is the sense of Congress that, where feasible, the United States Government invite friendly nations to join in missions to consult with countries which are recipients of assistance under this part on the possibilities for joint action to assure the effective development of plans for the economic development of such recipient countries and the effective use of assistance provided them; and that the President may request the assistance of international financial institutions in bringing about the establishment of such missions.

* * *

## CHAPTER 2—DEVELOPMENT ASSISTANCE

### TITLE 1—DEVELOPMENT LOAN FUND

SEC. 201. GENERAL AUTHORITY.—(a) The President shall establish a fund to be known as the "Development Loan Fund" to be used by the President to make loans pursuant to the authority contained in this title.

(b) The President is authorized to make loans payable as to principal and interest in United States dollars on such terms and conditions as he may determine, in order to promote the economic development of less developed friendly countries and areas, with emphasis upon assisting long-range plans and programs designed to develop economic resources and increase productive capacities. In so doing, the President shall take into account (1) whether financing could be obtained in whole or in part from other free-world sources on reasonable terms, including private sources within the United States, (2) the economic and technical soundness of the activity to be financed, including the capacity of the recipient country to repay the loan at a reasonable rate of interest, (3) whether the activity gives reasonable promise of contributing to the development of economic resources or to the increase of productive capacities in furtherance of the purposes of this title, (4) the consistency of the activity with, and its relationship to, other development activities being

undertaken or planned, and its contribution to realizable long-range objectives, (5) the extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear determination to take effective self-help measures, and (6) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the loan involved. Loans shall be made under this title only upon a finding of reasonable prospects of repayment.

* * *

(d) Funds made available for this title shall not be loaned or reloaned at rates of interest excessive or unreasonable for the borrower and in no event shall such funds (except funds loaned under section 205 and funds which prior to the date of enactment of the Foreign Assistance Act of 1964 were authorized or committed to be loaned upon terms which do not meet the minimum terms set forth herein) be loaned at a rate of interest of less than 2½ per centum per annum commencing not later than ten years following the date on which the funds are initially made available under the loan, during which ten-year period the rate of interest shall not be lower than 1 per centum per annum, nor higher than the applicable legal rate of interest of the country in which the loan is made.

(e) In carrying out this title, the President shall not allocate, reserve, earmark, commit, or otherwise set aside, funds aggregating in excess of $100,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economically and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans.

(f) No assistance shall be furnished under this title for a project unless the President determines that such project will promote the economic development of the requesting country, taking into account the current human and material resource requirements of that country and the relationship between the ultimate objectives of the project and the overall economic development of the country, and that such project specifically provides for appropriate participation by private enterprise.

SEC. 202. AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for the purposes of this title $1,200,000,000 for the fiscal year 1962, $1,500,000,000 for the fiscal year 1963, $925,000,000 for the fiscal year 1964, and $1,500,000,000 for each of the next two succeeding fiscal years, which sums shall remain available until expended: Provided, That any unappropriated portion of the amount authorized to be appropriated for any such fiscal year may be appropriated in any subsequent fiscal year during the above period in addition to the amount otherwise authorized to be appropriated for such subsequent fiscal year:

Provided further, That, in order to effectuate the purposes and provisions of sections 102, 201, 601, and 602 of this Act, not less than 50 per centum of the funds appropriated pursuant to this subsection for the fiscal years ending June 30, 1965, and June 30, 1966, respectively, shall be available for loans made to encourage economic development through private enterprise.

(b) Whenever the President determines that it is important to the advancement of United States interests and necessary in order to further the purposes of this title, and in recognition of the need for reasonable advance assurances in the interest of orderly and effective execution of long-term plans and programs of development assistance, he is authorized to enter into agreements committing, under the terms and conditions of this title, funds authorized to be appropriated under this title, subject only to the annual appropriation of such funds.

(c) Upon conclusion of each such agreement involving funds to be appropriated, the President shall notify the Foreign Relations and Appropriations Committees of the Senate and the Speaker of the House of Representatives of the provisions of such agreement, including the amounts of funds involved and undertakings of the parties thereto.

(d) Except as otherwise provided in this part, the United States dollar assets of the corporate entity known as the Development Loan Fund which remain unobligated and not committed for loans repayable in foreign currencies on the date prior to the abolition of such Fund shall be available for use for purposes of this title.

SEC. 203. FISCAL PROVISIONS.—All receipts from loans made under and in accordance with this title shall be available for use for the purposes of this title. Such receipts and other funds made available under this title for use for the purposes of this title shall remain available until expended.

SEC. 204. DEVELOPMENT LOAN COMMITTEE.—The President shall establish an interagency Development Loan Committee, consisting of such officers from such agencies of the United States Government as he may determine, which shall, under the direction of the President, establish standards and criteria for lending operations under this title in accordance with the foreign and financial policies of the United States. Except in the case of officers serving in positions to which they were appointed by the President by and with the advice and consent of the Senate, officers assigned to the Committee shall be so assigned by the President by and with the advice and consent of the Senate.

* * *

## TITLE III—INVESTMENT GUARANTIES

SEC. 221. GENERAL AUTHORITY.—(a) In order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of less developed friendly countries and areas, the President is authorized to issue

guaranties as provided in subsection (b) of this section of investments in connection with projects, including expansion, modernization, or development of existing enterprises, in any friendly country or area with the government of which the President has agreed to institute the guaranty program. The guaranty program authorized by this title shall be administered under broad criteria, and each project shall be approved by the President.

(b) The President may issue guaranties to United States citizens, or corporations, partnerships, or other associations created under the laws of the United States or of any State or territory and substantially beneficially owned by United States citizens, as well as any wholly-owned (determined without regard to any shares, in aggregate less than 5 per centum of the total of issued and subscribed share capital, required by law to be held by persons other than the parent corporation) foreign subsidiary of any such corporation—

(1) assuring protection in whole or in part against any or all of the following risks:

(A) inability to convert into United States dollars other currencies, or credits in such currencies, received as earnings or profits from the approved project, as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof,

(B) loss of investment, in whole or in part, in the approved project due to expropriation or confiscation by action of a foreign government, and

(C) loss due to war, revolution, or insurrection:

*Provided,* That the total face amount of the guaranties issued under this paragraph (1) outstanding at any one time shall not exceed $2,500,000,000; and

(2) where the President determines such action to be important to the furtherance of the purposes of this title, assuring against loss of any loan investment for housing projects with appropriate participation by the private investor in the loan risk and in accordance with the foreign and financial policies of the United States, or assuring against loss of not to exceed 75 per centum of any other investment due to such risks as the President may determine, upon such terms and conditions as the President may determine: *Provided,* That guaranties issued under this paragraph (2) shall emphasize economic development projects furthering social progress and the development of small independent business enterprises, and no such guaranty in the case of a loan shall exceed $25,000,000 and no other such guaranty shall exceed $10,000,000: *Provided further,* That no payment may be made under this paragraph (2) for any loss arising out of fraud or misconduct for which

the investor is responsible: *Provided further,* That the total face amount of the guaranties issued under this paragraph (2) outstanding at any one time shall not exceed $300,000,000: *Provided further,* That this authority shall continue until June 30, 1966.

(c) No guaranty shall exceed the dollar value, as of the date of the investment, of the investment made in the project with the approval of the President plus actual earnings or profits on said investment to the extent provided by such guaranty, nor shall any guaranty extend beyond twenty years from the date of issuance.

(d) The President shall make suitable arrangements for protecting the interests of the United States Government in connection with any guaranty issued under section 221(b), including arrangements with respect to the ownership, use, and disposition of the currency, credits, assets, or investment on account of which payment under such guaranty is to be made, and any right, title, claim, or cause of action existing in connection therewith.

SEC. 222. GENERAL PROVISIONS.—A fee shall be charged for each guaranty in an amount to be determined by the President. In the event the fee to be charged for a type of guaranty authorized under sections 221(b) and 224 is reduced, fees to be paid under existing contracts for the same type of guaranty may be similarly reduced.

(b) All fees collected in connection with guaranties issued under sections 221(b) and 224, under section 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and under section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (22 U.S.C. 1509(b)(3)) (exclusive of fees for informational media guaranties heretofore or hereafter issued pursuant to section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1442) and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended), shall be available for meeting management and custodial costs incurred with respect to currencies or other assets acquired under guaranties made pursuant to sections 221(b) and 224 of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), and shall be available for expenditure in discharge of liabilities under guaranties made pursuant to such sections, until such time as all such property has been disposed of and all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this section.

(c) In computing the total face amount of guaranties outstanding at any one time for purposes of paragraph (1) of section 221(b), the President shall include the face amounts of outstanding guaranties theretofore issued pursuant to such paragraph, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3)

of the Economic Cooperation Act of 1948, as amended, but shall exclude informational media guaranties.

(d) Any payments made to discharge liabilities under guaranties issued under sections 221(b) and 224 of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), shall be paid first out of fees referred to in section 222(b) as long as such fees are available, and thereafter shall be paid out of funds, if any, realized from the sale of currencies or other assets acquired in connection with any payments made to discharge liabilities under such guaranties as long as such funds are available, and thereafter shall be paid out of funds heretofore appropriated for the purpose of discharging liabilities under the aforementioned guaranties, and thereafter out of funds realized from the sale of notes issued under section 413(b)(4)(F) of the Mutual Security Act of 1954, as amended, and section 111(c)(2) of the Economic Cooperation Act of 1948, as amended, and finally out of funds hereafter made available pursuant to section 222(f).

(e) All guaranties issued prior to July 1, 1956, all guaranties issued under sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and all guaranties heretofore or hereafter issued pursuant to this title shall be considered contingent obligations backed by the full faith and credit of the Government of the United States of America. Funds heretofore obligated under the aforementioned guaranties (exclusive of informational media guaranties) together with the other funds made available for the purposes of this title shall constitute a single reserve for the payment of claims in accordance with section 222(d) of this part.

(f) There is hereby authorized to be appropriated to the President such amount, to remain available until expended, as may be necessary from time to time to carry out the purposes of this title.

(g) In making a determination to issue a guaranty under section 221(b), the President shall consider the possible adverse effect of the dollar investment under such guaranty upon the balance of payments of the United States.

SEC. 223. DEFINITIONS.—As used in this title—

(a) the term "investment" includes any contribution of capital commodities, services, patents, processes, or techniques in the form of (1) a loan or loans to an approved project, (2) the purchase of a share of ownership in any such project, (3) participation in royalties, earnings, or profits of any such project, and (4) the furnishing of capital commodities and related services pursuant to a contract providing for payment in whole or in part after the end of the fiscal year in which the guaranty of such investment is made; and

(b) the term "expropriation" includes but is not limited to any

abrogation, repudiation, or impairment by a foreign government of its own contract with an investor, where such abrogation, repudiation, or impairment is not caused by the investor's own fault or misconduct, and materially adversely affects the continued operation of the project.

SEC. 224. HOUSING PROJECTS IN LATIN AMERICAN COUNTRIES.—(a) It is the sense of the Congress that in order to stimulate private homeownership and assist in the development of stable economies, the authority conferred by this title should be utilized for the purpose of assisting in the development in the American Republics of self-liquidating pilot housing projects designed to provide experience in rapidly developing countries by participating with such countries in guaranteeing private United States capital available for investment in Latin American countries for the purposes set forth herein.

(b) In order to carry out the purposes set forth in subsection (a), the President is authorized to issue guaranties assuring against the risks of loss specified in paragraph 221(b)(2) of investments made by United States citizens, or corporations, partnerships, or other associations created under the law of the United States or of any State or territory and substantially beneficially owned by United States citizens in pilot or demonstration private housing projects in Latin America of types similar to those insured by the Federal Housing Administration and suitable for conditions in Latin America. The total face amount of guaranties issued under this section outstanding at any one time shall not exceed $250,000,000.

* * *

## TITLE VII—EVALUATION OF PROGRAMS

SEC. 261. The President may appoint a committee to review and evaluate the economic development program under this Act, and to report to the President and to the Congress its findings.

* * *

## PART III

### CHAPTER 1—GENERAL PROVISIONS

* * *

SEC. 610. TRANSFER BETWEEN ACCOUNTS.—(a) Whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 per centum of the funds made available for any provision of this Act may be transferred to, and consolidated with, the funds made available for any other provision of this Act, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount of funds made available for such provision.

* * *

## Chapter 2—Administrative Provisions

Sec. 621. Exercise of Functions.—The President may exercise any functions conferred upon him by this Act through such agency or officer of the United States Government as he shall direct. The head of any such agency or such officer may from time to time promulgate such rules and regulations as may be necessary to carry out such functions, and may delegate authority to perform any such functions, including, if he shall so specify, the authority successively to redelegate any of such functions to any of his subordinates. In providing technical assistance under this Act, the head of any such agency or such officer shall utilize, to the fullest extent practicable, goods and professional and other services from private enterprise on a contract basis. In such fields as education, health, housing, or agriculture, the facilities and resources of other Federal agencies shall be utilized when such facilities are particularly or uniquely suitable for technical assistance, are not competitive with private enterprise, and can be made available without interfering unduly with domestic programs.

* * *

Sec. 627. Detail of Personnel to Foreign Governments.—Whenever the President determines it to be in furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail or assign any officer or employee of his agency to any office or position with any foreign government or foreign government agency, where acceptance of such office or position does not involve the taking of an oath of allegiance to another government or the acceptance of compensation or other benefits from any foreign country by such officer or employee.

Sec. 628. Detail of Personnel to International Organizations.—Whenever the President determines it to be consistent with and in furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail, assign, or otherwise make available to any international organization any officer or employee of his agency to serve with, or as a member of, the international staff of such organization, or to render any technical, scientific, or professional advice or service to, or in cooperation with, such organization.

Sec. 629. Status of Personnel Detailed.—(a) Any officer or employee, while assigned or detailed under section 627 or 628 of this Act, shall be considered, for the purpose of preserving his allowances, privileges, rights, seniority, and other benefits as such, an officer or employee of the United States Government and of the agency of the United States Government from which detailed or assigned and he shall continue to receive compensation, allowances, and benefits from funds appropriated to that agency or made available to that agency under this Act.

(b) Any officer or employee assigned, detailed, or appointed under section 627, 628, 631, or 624(d) of this Act is authorized to receive under such regulations as the President may prescribe, representation

allowances similar to those allowed under section 901 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1131). The authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as meeting all the requirements of section 1765 of the Revised Statutes (5 U.S.C. 70).

SEC. 630. TERMS OF DETAIL OR ASSIGNMENT.—Details or assignments may be made under section 627 or 628 of this Act or section 408 of the Mutual Security Act of 1954, as amended—

(1) without reimbursement to the United States Government by the foreign government or international organization;

(2) upon agreement by the foreign government or international organization, to reimburse the United States Government for compensation, travel expenses, and allowances, or any part thereof, payable to the officer or employee concerned during the period of assignment or detail; and such reimbursements (including foreign currencies) shall be credited to the appropriation, fund, or account utilized for paying such compensation, travel expenses, or allowances, or to the appropriation, fund, or account currently available for such purposes;

(3) upon an advance of funds, property, or services by the foreign government or international organization to the United States Government accepted with the approval of the President for specified uses in furtherance of the purposes of this Act; and funds so advanced may be established as a separate fund in the Treasury of the United States Government, to be available for the specified uses, and to be used for reimbursement of appropriations or direct expenditure subject to the provisions of this Act, any unexpended balance of such account to be returned to the foreign government or international organization; or

(4) subject to the receipt by the United States Government of a credit to be applied against the payment by the United States Government of its share of the expenses of the international organization to which the officer or employee is detailed or assigned, such credit to be based upon the compensation, travel expenses, and allowances, or any part thereof, payable to such officer or employee during the period of detail or assignment in accordance with section 629.

* * *

SEC. 632. ALLOCATION AND REIMBURSEMENT AMONG AGENCIES.—(a) The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of this Act, including any advance to the United States Government by any country or international organization for the procurement of commodities, defense articles, or services (including defense services). Such funds shall be available for obligation and expenditure for the purposes for which authorized, in accordance with

authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred.

(b) Any officer of the United States Government carrying out functions under this Act may utilize the services (including defense services) and facilities of, or procure commodities and defense articles from, any agency of the United States Government as the President shall direct, or with the consent of the head of such agency, and funds allocated pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

(c) In the case of any commodity, service, or facility procured from any agency of the United States Government to carry out part I, reimbursement or payment shall be made to such agency from funds available to carry out such part. Such reimbursement or payment shall be at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to by the owning or disposing agency. The amount of any such reimbursement or payment shall be credited to current applicable appropriations, funds, or accounts, from which there may be procured replacements of similar commodities, services, or facilities, except that where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning or disposing agency determines that such replacement is not necessary, any funds received in payment therefor shall be deposited into the Treasury as miscellaneous receipts.

(d) Except as otherwise provided in sections 507 and 510, reimbursement shall be made to any United States Government agency, from funds available for use under part II, for any assistance furnished under part II from, by, or through such agency. Such reimbursement shall be in an amount equal to the value (as defined in section 644(m)) of the defense articles or of the defense services (other than salaries of members of the Armed Forces of the United States), or other assistance furnished, plus expenses arising from or incident to operations under part II. The amount of such reimbursement shall be credited to the current applicable appropriations, funds, or accounts of such agency.

(e) In furnishing assistance under this Act, accounts may be established on the books of any agency of the United States Government or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States, (1) against which letters of commitment may be issued which shall constitute recordable obligations of the United States Government, and moneys due or to become due under such letters of commitment shall be assignable under the Assignment of Claims Act of 1940, as amended (second and third paragraphs of 31 U.S.C. 203 and 41 U.S.C. 15), and (2) from which disbursements may be made to, or withdrawals may be made by, recipient countries or agencies, organizations, or persons upon presentation of contracts, invoices, or other appropriate documentation. Expenditure

of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditure of funds of the United States Government: *Provided,* That such expenditures for commodities, defense articles, services (including defense services), or facilities procured outside the United States may be accounted for exclusively on such certification as may be prescribed in regulations approved by the Comptroller General of the United States.

(f) Credits made by the Export-Import Bank of Washington with funds allocated thereto under subsection (a) of this section or under section 522(a) of the Mutual Security Act of 1954, as amended, shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945, as amended (12 U.S.C. 635e).

(g) Any appropriation or account available to carry out provisions of part I may initially be charged in any fiscal year, within the limit of available funds, to finance expenses for which funds are available in other appropriations or accounts under part I: *Provided,* That as of the end of such fiscal year such expenses shall be finally charged to applicable appropriations or accounts with proper credit to the appropriations or accounts initially utilized for financing purposes: *Provided further,* That such final charge to applicable appropriations or accounts shall not be required in the case of expenses (other than those provided for under section 637(a)) incurred in furnishing assistance by the agency primarily responsible for administering part I where it is determined that the accounting costs of identifying the applicable appropriation or account to which such expenses should be charged would be disproportionate to the advantage to be gained.

SEC. 633. WAIVERS OF CERTAIN LAWS.—(a) Whenever the President determines it to be in furtherance of the purposes of this Act, the functions authorized under this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951, as amended (50 U.S.C. App. 1211 et seq.)), regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the United States Government as the President may specify.

(b) The functions authorized under part II may be performed without regard to such provisions as the President may specify of the joint resolution of November 4, 1939 (54 Stat. 4), as amended.

(c) Notwithstanding the provisions of sections 3544(b) and 8544(b) of title 10 of the United States Code, personnel of the Department of Defense may be assigned or detailed to any civil office to carry out this Act.

* * *

SEC. 635. GENERAL AUTHORITIES.—(a) Except as otherwise specifically provided in this Act, assistance under this Act may be furnished on a grant basis or on such terms, including cash, credit, or

other terms of repayment (including repayment in foreign currencies or by transfer to the United States Government of commodities) as may be determined to be best suited to the achievement of the purposes of this Act, and shall emphasize loans rather than grants wherever possible.

(b) The President may make loans, advances, and grants to, make and perform agreements and contracts with, or enter into other transactions with, any individual, corporation, or other body of persons, friendly government or government agency, whether within or without the United States, and international organizations in furtherance of the purposes and within the limitations of this Act.

* * *

(d) The President may accept and use in furtherance of the purposes of this Act, money, funds, property, and services of any kind made available by gift, devise, bequest, grant, or otherwise for such purpose.

(e) Any agency of the United States Government is authorized to pay the cost of health and accident insurance for foreign participants in any program of furnishing technical information and assistance administered by such agency while such participants are absent from their homes for the purpose of participation in such program.

* * *

(h) A contract or agreement which entails commitments for the expenditure of funds available under titles II, V, and VI of chapter 2 of part I and under part II may, subject to any future action of the Congress, extend at any time for not more than five years.

(i) Claims arising as a result of investment guaranty operations may be settled, and disputes arising as a result thereof may be arbitrated with the consent of the parties, on such terms and conditions as the President may direct. Payment made pursuant to any such settlement, or as a result of an arbitration award, shall be final and conclusive notwithstanding any other provision of law.

* * *

Approved September 4, 1961.

30. Miscellaneous

3. International Housing and Community Development

## 3. MEMORANDUM AGREEMENT BETWEEN THE HOUSING AND HOME FINANCE ADMINISTRATOR AND THE ADMINISTRATOR, AGENCY FOR INTERNATIONAL DEVELOPMENT

I. General

The Foreign Assistance Act of 1961, as amended, states: "In providing technical assistance under this Act in the field of education, health, housing or agriculture, or in other fields, the head of any such agency or such officer shall utilize, to the fullest extent practicable, the facilities and resources of the Federal agency or agencies with primary responsibilities for domestic programs in such fields." The Housing and Home Finance Agency (HHFA) is the Agency with primary responsibility for domestic programs in the fields of housing and urban development and renewal and planning, and within the Office of the Administrator of the HHFA and the Urban Renewal Administration, Community Facilities Administration, Federal Housing Administration, Public Housing Administration, and the Federal National Mortgage Association, all constituents of the HHFA, there exist highly specialized competence in the fields of housing, urban development and renewal and planning.

A significant feature of the Foreign Assistance Act of 1961, as amended, is the requirement that aid recipient countries shall have long-range comprehensive development plans. Resources for housing and community facilities should be allocated so as to make the maximum contribution to the over-all development goals of the country. Planning and programming techniques employed by State and regional planning and economic development agencies in the United States, which have been supported by HHFA programs, provide useful experience applicable to the formulation and execution of sound programs of national and urban development in less developed friendly countries.

The Foreign Assistance Act of 1961, as amended, in order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of less developed friendly countries and areas, authorizes various forms of assistance to private enterprise including guarantees of certain equity and loan investments in these areas. This authority is to be used to encourage the development of small, independent business enterprises, credit unions, cooperatives, low cost housing projects and other similar activities. The Foreign Assistance Act of 1961, as amended, also authorizes similar guarantees against loss for certain investments in Latin America for pilot or demonstration private housing projects which are suitable for Latin America and similar to those insured by the Federal Housing Administration.

It is the desire of the Administrators of A.I.D. and the HHFA to avoid the duplication of existing staff, and facilities in the Federal

Government in this field and to assure the most effective operation of the programs of housing and urban renewal and planning authorized by the Foreign Assistance Act of 1961, as amended. In view of their mutuality of interest in the programs of housing and urban renewal and planning, and in view of HHFA's competence in the fields of housing and urban renewal and planning, it is agreed that HHFA will assist A.I.D. in carrying out these programs and that this agreement shall define the relationships between A.I.D. and HHFA.

This agreement describes in general terms the nature of the participation by the HHFA in the A.I.D. program, services to be requested by A.I.D. and performed by HHFA, and the manner in which A.I.D. will pay for services rendered and HHFA account for such expenditures. The working relationships which must be established between A.I.D. and HHFA to carry out the terms of this agreement will be described more specifically in appendices to be attached to this agreement. These appendices, along with estimates of expected level of services and workload, will provide the basis for arriving at an estimate of costs incurred by HHFA which shall be met by A.I.D.

II. Program Consultation

When requested by the officials designated by the Administrator of A.I.D., the Office of the Administrator, HHFA, shall:

A. Consult with the responsible officials designated by the Administrator of A.I.D. on the formulation of basic policies with respect to the type of housing to be assisted and given priority, income groups to be served, the forms of financial assistance, and similar matters involving program content and priorities;

B. Participate with the responsible officials designated by the Administrator of A.I.D. in formulating procedures and criteria governing application of basic policies to the preparation of housing and urban development and planning programs for each particular country, and in reviewing applications for the various forms of assistance which A.I.D. may provide for such programs including guarantees of investments;

C. Comment on applications for the various forms of assistance, including guarantees of certain private equity and loan investments, which A.I.D. may provide in the fields of housing and urban renewal and planning;

D. Supply to the responsible officials designated by the Administrator of A.I.D. necessary information concerning housing conditions, needs and developments in the countries to which technical assistance is being provided in the fields of housing, urban renewal and planning.

III. Technical Assistance

The Office of the Administrator, HHFA, shall provide technical support necessary to A.I.D. in discharging its responsibilities in providing

technical assistance and financial aid to less developed countries in the field of housing and urban renewal and planning. In performing its functions under this paragraph, the Office of the Administrator shall:

A. Within the framework of total country programs, provide advice on the initiation and development of technical assistance and financial aid projects involving housing design, construction methods, building materials, housing finance, urban renewal and planning and related fields.

B. When requested by the responsible officials designated by the Administrator of A.I.D., review programs, evaluate their effectiveness, and make recommendations for improvements.

C. Determine technical quality and applicability of new techniques for use in countries being assisted by A.I.D. programs.

D. When requested by the responsible officials designated by the Administrator of A.I.D., develop manuals and training material for the development and organization of housing, urban renewal and planning programs in countries being assisted by A.I.D. programs.

E. Orient specialists in the Federal Housing Administration, Public Housing Administration, Urban Renewal Administration, Community Facilities Administration, and the Federal National Mortgage Association to the housing and urban renewal and planning problems of less developed countries in which A.I.D. is assisting in the development of economic resources and productive capacities so that specialists in all aspects of housing and urban renewal and planning programs are readily available to assist A.I.D. and enable HHFA to discharge its functions under this Agreement.

IV. Recruitment and Staffing

A. *General*

1. In the conduct of its regular operations and through its relationships with public and private groups, HHFA has acquired a special knowledge of qualified persons in the fields of housing and urban renewal and planning. In discharging its obligations in these fields, A.I.D. will require the services of specialists and technical personnel for those activities for which A.I.D. will retain responsibility. To assist A.I.D. in procuring necessary staff, HHFA, shall, as requested by the responsible officials designated by the Administrator of A.I.D., recruit technical housing personnel for duty with A.I.D. in the continental United States and abroad. Technical housing personnel nominated by HHFA and accepted by A.I.D. will be employed and assigned by A.I.D. to its own payroll.

2. When requested by A.I.D., HHFA shall make short-term

assignments of its own personnel or experts currently employed by HHFA to programs designated by A.I.D. Such personnel shall be assigned by HHFA to A.I.D. on non-reimbursable detail when the assignment will not exceed 60 days. For more extended assignments they should be assigned on reimbursable detail. When HHFA and A.I.D. agree that HHFA personnel be detailed for duty with A.I.D., this agreement will be in writing and will be noted on the personnel action form of the persons so detailed.

B. *Special Projects*

1. *General*

Certain aspects of the A.I.D. program may best be conducted on a contractual basis, with A.I.D. requesting HHFA or some other public or private institution to provide a specific service or to conduct a specific project. In the event A.I.D. requests, and HHFA agrees, that HHFA provide a service or conduct a specific project, an agreement will be developed and will describe the services to be performed, the responsibilities of A.I.D. and HHFA, and the procedures for performance and payment under the agreement. In carrying out responsibilities assumed under such agreements, HHFA will utilize personnel on or to be placed on its own rolls, will exercise professional and technical judgment and control, and will provide professional and technical support for these operations.

2. *Criteria*

Following are the criteria for distinguishing projects which may be conducted by HHFA under a contractual arrangement with A.I.D.: (1) the project must be definable and limited as to scope and time, to permit an estimate to be made of the direct and indirect cost of the project; and (2) it must involve more than personnel services on loan, (i.e., A.I.D. must be requesting HHFA rather than its employees to assume responsibility).

3. *Responsibilities and Procedures*

The agreement covering a special project or service will define the project or the services to be performed, the estimated cost and manner of payment, the progress and financial reports required and the procedures for administrative coordination. In performing such special project or services, HHFA will assume full operating responsibility, subject to applicable A.I.D. policies governing the conduct of overseas operations, providing A.I.D. with a finished product (report, survey, continuing service or technical report as required) and reporting to A.I.D. as agreed.

4. *Other Contractors*

When appropriate, HHFA will advise A.I.D. as to whether specific special projects for services in its field of specialized competence can best be performed by contract with another organization, public or private, and will suggest competent contractors to A.I.D. A.I.D. will negotiate and execute contracts for services to be performed by such contractors and will furnish copies to HHFA.

V. Training

The Office of the Administrator of the Housing and Home Finance Agency, as requested by the responsible officials designated by the Administrator of A.I.D., shall:

A. Plan and arrange training programs for foreign nationals brought to the United States by A.I.D. to study and observe American housing, urban renewal, planning, construction and other urbanization matters.

B. Provide technical orientation and training to housing technicians and training officers employed by A.I.D.

VI. Financing

Costs of maintaining the specialized staff required for HHFA to provide the continuing services required by this Agreement, including the proportional costs of administrative services supplied by the Office of the Administrator, HHFA, will be borne by A.I.D.

HHFA and A.I.D. will jointly develop annual fiscal year budgets covering the estimated costs of the continuing services to be provided by HHFA comprising inter-regional program and administrative services (back-stopping) expenses. These budgets will be developed on the basis of requirements and procedures as outlined in the body and appendices of this agreement and on the estimated workload determined by A.I.D. and HHFA, and will be agreed to in writing.

A.I.D. will issue to HHFA copies of appropriate authorizing documents containing dollar limitations; A.I.D. appropriation symbol; country; and period, description and scope of the technical, training and procurement services to be rendered under various U.S. A.I.D. and regional projects.

On the basis of the budgets and authorizations identified above HHFA will disburse from its own appropriation the funds required to perform the services authorized. HHFA will bill A.I.D. monthly on SF 1081 or similar document for the reimbursable expenditures incurred, and A.I.D. will reimburse HHFA promptly upon presentation of bills. Bills will be supported by documentation identifying the A.I.D. authorization and appropriation and the country involved, together with such other accounting and statistical data as agreed to by HHFA and A.I.D.

VII. Operational Guides

The officials of HHFA and A.I.D. with primary responsibility for the operation of programs affected by this agreement shall, within one year after the execution of this agreement, develop operational guides governing the manner in which functions to be performed by HHFA and A.I.D. under this agreement are to be interpreted and carried out. Such operational guides shall be submitted to the Administrator of the HHFA and to the Administrator of A.I.D. for approval.

VIII. Delegations

The Administrator of A.I.D. shall delegate to the HHFA Administrator, and authorize him to redelegate, such functions or authority as may be necessary to enable the HHFA to carry out the duties imposed upon it by this agreement.

Signed July 12, 1962

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|---|---|
| Robert C. Weaver<br>Housing and Home Finance<br>Administrator | Fowler Hamilton<br>Administrator, Agency for<br>International Development |

# 1. ESTABLISHMENT AND MEMBERSHIP

[Executive Order 11074, 28 Fed. Reg. 259]

WHEREAS recent studies, both private and public, have revealed disturbing deficiencies in the physical fitness of American youth; and

WHEREAS, since the youth of our Nation is one of our greatest assets, it is imperative that the physical fitness of our youth be improved and promoted to the greatest possible extent; and

WHEREAS there also are evidences of deficiencies in the physical fitness of American adults; and

WHEREAS there is a close relationship between physical fitness and intellectual vigor and moral strength; and

WHEREAS the physical fitness of its citizens is a concern of the government at all levels, as well as a responsibility of the family, the school, the community, and other groups and organizations; and

WHEREAS it is necessary that the activities of the Federal Government in this area be coordinated and administered so as to assure their maximum effectiveness and to provide guidance and stimulation:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is hereby ordered as follows:

SECTION 1. *President's Council on Physical Fitness.* There is hereby established the President's Council on Physical Fitness (hereinafter referred to as the Council), which shall be composed of the Secretary of Health, Education, and Welfare, who shall be the Chairman of the Council, the Secretary of Defense, the Attorney General, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, and the Housing and Home Finance Administrator.

SEC. 2. *Functions of the Council.* (a) The Council shall foster improvements in existing programs and promote additional efforts to enhance the physical fitness of Americans. The Council shall seek to coordinate, stimulate, and improve the functions of Federal agencies with respect to physical fitness.

(b) The Council shall enlist the active support and assistance of individual citizens, civic groups, professional associations, private enterprise, voluntary organizations, and other groups in a vigorous effort to promote and improve the physical fitness of all Americans.

SEC. 3. *Federal Agencies.* (a) Nothing in this order shall be construed to abrogate, modify, or restrict any function vested by law in, or assigned pursuant to law to, any executive department or other agency of the Government or any officer thereof.

(b) Each executive department the head of which is referred to in section 1 of this order shall, as may be necessary for the purpose of effectuating the provisions of this order, furnish assistance to the Council in accordance with section 214 of the act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691).

SEC. 4. *Continuity.* The Council established by this order shall be deemed to be a continuation of the President's Council on Youth Fitness.

SEC. 5. *Seal.* Executive Order 10830 of July 24, 1959, prescribing a seal for the President's Council on Youth Fitness, is hereby amended by substituting the word "Physical" wherever the word "Youth" appears in said order.

SEC. 6. *Revocations.* Executive Order 10673 of July 16, 1956, Executive Order 10772 of June 30, 1958, and Executive Order 10931 of March 29, 1961, are hereby revoked.

JOHN F. KENNEDY

THE WHITE HOUSE,
*January 8, 1963*

30. Miscellaneous

5. President's Committee on Migratory Labor

## 1. ESTABLISHMENT AND MEMBERSHIP

[Executive Order 10894, 25 Fed. Reg. 10913]

ESTABLISHING THE PRESIDENT'S COMMITTEE ON MIGRATORY LABOR

WHEREAS migratory labor plays an essential part in the Nation's economy, particularly in agriculture, in jobs of a temporary or seasonal nature; and

WHEREAS a substantial number of workers and their families migrate annually to find employment on farms and in rural communities, and perform services in many States; and

WHEREAS most of such workers are unskilled and have annual earnings that are low; travel and housing conditions that are often substandard; limited educational opportunities for their children because of migration; less access to community services than permanent residents; and, because of the seasonal or short-term nature of their employment, have difficulty in accumulating assets adequate for satisfactory living conditions; and

WHEREAS many of the workers and their families are handicapped in seeking economic and social attainments because of the seasonal nature of their employment; and

WHEREAS it is in the national interest to assist such migratory workers and their families in achieving working and living conditions more compatible with those of other workers in the Nation; and

WHEREAS on August 26, 1954, I established a Federal Interdepartmental Committee on Migratory Labor, later designated as the President's Committee on Migratory Labor, to assume leadership in developing cooperative relations in improving the social and economic welfare of our domestic migratory farm workers; and

WHEREAS, in order that the President's Committee on Migratory Labor may be enabled to make even greater progress toward the achievement of its objectives, it is now appropriate to consolidate its accomplishments and to provide for more formal Federal organization for its activities with respect to migratory labor programs, and with continuing recognition of the responsibility of the individual States in the field of migratory labor:

NOW THEREFORE, by virtue of the authority vested in me as President of the United States, it is hereby ordered as follows:

SECTION 1. (a) There is hereby established, subject to the provisions of this order, the President's Committee on Migratory Labor (hereinafter referred to as the Committee), which shall be composed of the Secretary of Labor, who shall be Chairman of the Committee, the Secretary of Agriculture, the Secretary of the Interior, the Secretary of Health, Education, and Welfare, and the Administrator of the Housing and Home Finance Agency.

(b) To assure effective functioning of the Committee and uninterrupted participation of each department and agency represented on the Committee, the head of each such department or agency shall designate an appropriate officer or employee of his department or agency as an alternate member to participate in the affairs of the Committee whenever the member may be absent or otherwise unable to participate.

(c) The Committee may request the head of any other Federal department or agency to designate a representative to participate in the affairs of the Committee as desirable in furthering the work of migratory labor programs.

SEC. 2. The Committee shall (1) maintain continuing review and assessment of the needs of migrant workers and their families, (2) aid the various Federal agencies in mobilizing, stimulating, and coordinating more effective programs and services for such migrants and in providing services to State and local areas through their constituent agencies, (3) facilitate and encourage the development of actions designed to promote improved living and working conditions of migratory workers, and (4) work with State and other public and non-public agencies in improving the living and working conditions of migratory workers. To these ends the Committee is empowered to enlist the aid and cooperation of Federal officials, Governors' Committees, local committees, National civic and church groups, and employer and worker organizations.

SEC. 3. The Departments and agencies represented on the Committee shall, as may be necessary for the purpose of effectuating the provisions of this order, furnish assistance to the Committee, including detailing of personnel, but excluding transfer of funds, in accordance with section 214 of the act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691), or any other applicable laws. The Department of Labor shall provide necessary space and facilities for the Committee.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
*November 15, 1960.*

BOOKMARK

30. Miscellaneous
6. Farm Housing

# 1. AUTHORIZATION—LOANS, GRANTS, AND MORTGAGE INSURANCE

[Excerpts from the Housing Act of 1949, as amended, Public Law 171, 81st Congress
63 Stat. 432; 42 U.S.C. 1471 et seq.]

## TITLE V

SEC. 501. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized, subject to the terms and conditions of this title, to extend financial assistance, through the Farmers Home Administration, (1) to owners of farms in the United States and in Puerto Rico and the Virgin Islands, to enable them to construct, improve, alter, repair, or replace dwellings and other farm buildings on their farms, to provide them, their tenants, lessees, sharecroppers, and laborers with decent, safe, and sanitary living conditions and adequate farm buildings as specified in this title, and (2) to owners of other real estate in rural areas to enable them to provide dwellings and related facilities for their own use and buildings adequate for their farming operations, and (3) [1] to elderly persons who are or will be the owners of land in rural areas for the construction, improvement, alteration, or repair of dwellings and related facilities, the purchase of previously occupied dwellings and related facilities and the purchase of land constituting a minimum adequate site, in order to provide them with adequate dwellings and related facilities for their own use.

(b)(1) For the purpose of this title, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of $400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

(2) For the purposes of this title, the terms "owner", "farm", and "mortgage" shall be deemed to include, respectively, the lessee of, the land included in, and other security interest in, any leasehold interest which the Secretary determines has an unexpired term (A) in the case of a loan, for a period sufficiently beyond the repayment period of the loan to provide adequate security and a reasonable probability of accomplishing the objectives for which the loan is made, and (B) in the case of a grant for a period sufficient to accomplish the objectives for which the grant is made.

[1] Added by sec. 4(a), Senior Citizens Housing Act of 1962, Public Law 87-723, approved September 28, 1962, 76 Stat. 670, 671.

(3)[1] For the purposes of this title, the term "elderly persons" means persons who are 62 years of age or over.

(c) In order to be eligible for the assistance authorized by paragraph (a), the applicant must show (1) that he is the owner of a farm which is without a decent, safe, and sanitary dwelling for himself and his family and necessary resident farm labor, or for the family of the operating tenant, lessee, or sharecropper, or without other farm buildings adequate for the type of farming in which he engages or desires to engage, or that he is the owner of other real estate in a rural area without an adequate dwelling or related facilities for his own use or buildings adequate for his farming operations, or [2] that he is an elderly person in a rural area without an adequate dwelling or related facilities for his own use; (2) that he is without sufficient resources to provide the necessary housing and buildings on his own account; and (3) that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

(d) As used in this title (except in sections 503 and 504(b)), the terms "farm," "farm dwelling," and "farm housing" shall include dwellings or other essential buildings of eligible applicants.

LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

SEC. 502. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 501 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant for a period of not to exceed thirty-three years from the making of the loan with interest at a rate not to exceed 4 per centum per annum on the unpaid balance of principal. In [3] cases of applicants who are elderly persons, the Secretary may accept the personal liability of any person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicant's repayment ability.

(b) The instruments under which the loan is made and the security given shall—

(1) provide for security upon the applicant's equity in the farm or such other security or collateral, if any, as may be found necessary by the Secretary reasonably to assure repayment of the indebtedness;

(2) provide for the repayment of principal and interest in

[1] Sec. 4(a), Senior Citizens Housing Act of 1962, Public Law 87-723, approved September 28, 1962, 76 Stat. 670, 671, added this paragraph.
[2] Sec. 4(a), Senior Citizens Housing Act of 1962, Public Law 87-723, approved September 28, 1962, 76 Stat. 670, 671, added the remainder of this clause.
[3] Sec. 4(a), Senior Citizens Housing Act of 1962, Public Law 87-723, approved September 28, 1962, 76 Stat. 670, 671, added this sentence.

accordance with schedules and repayment plans prescribed by the Secretary;

(3) contain the agreement of the borrower that he will, at the request of the Secretary, proceed with diligence to refinance the balance of the indebtedness through cooperative or other responsible private credit sources whenever the Secretary determines, in the light of the borrower's circumstances, including his earning capacity and the income from the farm, that he is able to do so upon reasonable terms and conditions;

(4) be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the loan with interest, protect the security, and assure that the farm will be maintained in repair and that waste and exhaustion of the farm will be prevented.

LOANS FOR HOUSING AND BUILDINGS ON POTENTIALLY ADEQUATE FARMS

SEC. 503. If the Secretary determines (a) that, because of the inadequacy of the income of an eligible applicant from the farm to be improved and from other sources, said applicant may not reasonably be expected to make annual repayments of principal and interest in an amount sufficient to repay the loan in full within the period of time prescribed by the Secretary as authorized in this title; (b) that the income of the applicant may be sufficiently increased within a period of not to exceed five years by improvement or enlargement of the farm or an adjustment of the farm practices or methods; and (c) that the applicant has adopted and may reasonably be expected to put into effect a plan of farm improvement, enlargement, or adjusted practices or production which, in the opinion of the Secretary, will increase the applicant's income from said farm within a period of not to exceed five years to the extent that the applicant may be expected thereafter to make annual repayments of principal and interest sufficient to repay the balance of the indebtedness less payments in cash and credits for the contributions to be made by the Secretary as hereinafter provided, the Secretary may make a loan in an amount necessary to provide adequate farm dwellings and buildings on said farm under the terms and conditions prescribed in section 502. In addition, the Secretary may agree with the borrower to make annual contributions during the said five-year period in the form of credits on the borrower's indebtedness in an amount not to exceed the annual installment of interest and 50 per centum of the principal payments accruing during any installment year up to and including the fifth installment year, subject to the conditions that the borrower's income is, in fact, insufficient to enable the borrower to make payments in accordance with the plan or schedule prescribed by the Secretary and that the borrower pursues his plan of farm reorganization and improvements or enlargement with due diligence.

This agreement with respect to credits or principal and interest upon the borrower's indebtedness shall not be assignable nor accrue to the

benefit of any third party without the written consent of the Secretary and the Secretary shall have the right, at his option, to cancel the agreement upon the sale of the farm or the execution or creation of any lien thereon subsequent to the lien given to the Secretary, or to refuse to release the lien given to the Secretary except upon payment in cash of the entire original principal plus accrued interest thereon less actual cash payments of principal and interest when the Secretary determines that the release of the lien would permit the benefits of this section to accrue to a person not eligible to receive such benefits.

OTHER SPECIAL LOANS AND GRANTS FOR MINOR IMPROVEMENTS TO FARM HOUSING AND BUILDINGS

SEC. 504. (a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 502 and 503 and that repairs or improvements should be made to a farm dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant, to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements. No assistance shall be extended to any one individual under this subsection in [1] the form of a loan, grant, or combined loan and grant in excess of $1,000. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable in accordance with the principles and conditions set forth in this title. Sums made available by grant may be made subject to the conditions set out in this title for the protection of the Government with respect to contributions made on loans by the Secretary.

(b) In order to encourage adequate family-size farms the Secretary may make loans under this section and section 503 to any applicant whose farm needs enlargement or development in order to provide income sufficient to support decent, safe, and sanitary housing and other farm buildings, and may use the funds made available under clause (b) of section 513 for such purposes.

MORATORIUM ON PAYMENTS UNDER LOANS

SEC. 505. During any time that any such loan is outstanding, the Secretary is authorized under regulations to be prescribed by him

[1] Sec. 4(c), Senior Citizens Housing Act of 1962, Public Law 87-723, approved September 28, 1962, 76 Stat. 670, 672, substituted "in the form of a loan, grant, or combined loan and grant in excess of $1,000" for "(1) in the form of a loan, or combined loan and grant, in excess of $1,000, or (2) in the form of a grant (whether or not combined with a loan) in excess of $500."

to grant a moratorium upon the payment of interest and principal on such loan for so long a period as he deems necessary, upon a showing by the borrower that due to circumstances beyond his control, he is unable to continue making payments of such principal and interest when due without unduly impairing his standard of living. In cases of extreme hardship under the foregoing circumstances, the Secretary is further authorized to cancel interest due and payable on such loans during the moratorium. Should any foreclosure of such a mortgage securing such a loan upon which a moratorium has been granted occur, no deficiency judgment shall be taken against the mortgagor if he shall have faithfully tried to meet his obligation.

TECHNICAL SERVICES AND RESEARCH [1]

SEC. 506. (a) In connection with financial assistance authorized in sections 501 to 504, inclusive, and sections 514-516 [2] the Secretary shall require that all new buildings and repairs financed under this title shall be substantially constructed and in accordance with such building plans and specifications as may be required by the Secretary. Buildings and repairs constructed with funds advanced pursuant to this title shall be supervised and inspected, as may be required by the Secretary, by competent employees of the Secretary. In addition to the financial assistance authorized in sections 501 to 504, inclusive, and sections 514-516 [2] the Secretary is authorized to furnish, through such agencies as he may determine, to any person, including a person eligible for financial assistance under this title, without charge or at such charges as the Secretary may determine, technical services such as building plans, specifications, construction supervision and inspection, and advice and information regarding farm dwellings and other buildings.

(b) The Secretary is further authorized to conduct research and technical studies including the development, demonstration, and promotion of construction of adequate farm dwellings and other buildings for the purpose of stimulating construction, improving the architectural design and utility of such dwellings and buildings, and utilizing new and native materials, economies in materials and construction methods, and new methods of production, distribution, assembly, and construction, with a view to reducing the cost of farm dwellings and buildings and adapting and developing fixtures and appurtenances for more efficient and economical farm use.

(c) The Secretary is further authorized to carry out a program of research, study, and analysis of farm housing in the United States to develop data and information on—

(1) the adequacy of existing farm housing;

(2) the nature and extent of current and prospective needs for

[1] See Farm Housing Research 30-1.4.
[2] Sec. 503(c), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 798, added the reference to section 516.

farm housing, including needs for financing and for improved design, utility, and comfort, and the best methods of satisfying such needs;

(3) problems faced by farmers and other persons eligible under section 501 in purchasing, constructing, improving, altering, repairing, and replacing farm housing;

(4) the interrelation of farm housing problems and the problems of housing in urban and suburban areas; and

(5) any other matters bearing upon the provision of adequate farm housing.

(d) To the extent determined by him to be advisable, the Secretary may carry out the research and study programs authorized by subsections (b) and (c) through grants made by him on such terms, conditions, and standards as he may prescribe to land-grant colleges established pursuant to the Act of July 2, 1862 (7 U.S.C. 301–308) or through such other agencies as he may select.

(e) The Secretary of Agriculture shall prepare and submit to the President and to the Congress estimates of national farm housing needs and reports with respect to the progress being made toward meeting such needs, and correlate and recommend proposals for such executive action or legislation necessary or desirable for the furtherance of the national housing objective and policy established by this Act with respect to farm housing, together with such other reports or information as may be required of the Secretary by the President or the Congress.

PREFERENCES FOR VETERANS AND FAMILIES OF DECEASED SERVICEMEN

SEC. 507.[1] As between eligible applicants seeking assistance under sections 501 to 504, inclusive, the Secretary shall give preference to veterans and the families of deceased servicemen. As used here in, a "veteran" shall mean a person who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress and who was discharged or released therefrom on conditions other than dishonorable. "Deceased servicemen" shall mean persons who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress and who died in service before the termination of such war or such period.

[1] Section 12 of the President's Proclamation 3080, January 1, 1955, 20 Fed. Reg. 173, 175, provides that January 31, 1955 is determined as the date ending the period during which persons must have served in the military forces of the United States in order that such persons come within the meaning of the terms "veteran" and "deceased servicemen," contained in section 507, by reason of service during the period beginning June 27, 1950.

LOCAL COMMITTEES TO ASSIST SECRETARY

SEC. 508. (a) For the purposes of this subsection and subsection (b) of this section, the Secretary may use the services of any existing committee of farmers operating (pursuant to laws or regulations carried out by the Department of Agriculture) in any county or parish in which activities are carried on under this title. In any county or parish in which activities are carried on under this title and in which no existing satisfactory committee is available, the Secretary is authorized to appoint a committee composed of three persons residing in the county or parish. Each member of such existing or newly appointed committee shall be allowed compensation at the rate determined by the Secretary while engaged in the performance of duties under this title and, in addition, shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses. One member of the committee shall be designated by the Secretary as chairman. The Secretary shall prescribe rules governing the procedures of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistance as he deems may be required by any committee.

(b) The committees utilized or appointed pursuant to this section shall examine applications of persons desiring to obtain the benefits of this title and shall submit recommendations to the Secretary with respect to each applicant as to whether the applicant is eligible to receive the benefits of this title, whether by reason of his character, ability, and experience, he is likely successfully to carry out undertakings required of him under a loan or grant under this title, and whether the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of the loan or grant requested will carry out the purposes of this title. The committees shall also certify to the Secretary as to the amount of the loan or grant. The committees shall, in addition, perform such other duties under this title as the Secretary may require.

GENERAL POWERS OF SECRETARY

SEC. 509. (a) The Secretary, for the purposes of this title, shall have the power to determine and prescribe the standards of adequate farm housing and other buildings, by farms or localities, taking into consideration, among other factors, the type of housing which will provide decent, safe, and sanitary dwelling for the needs of the family using the housing, the type and character of the farming operations to be conducted, and the size and earning capacity of the land.

(b) The Secretary may require any recipient of a loan or grant to agree that the availability of improvements constructed or repaired with the proceeds of the loan or grant under this title shall not be a justification for directly or indirectly changing the terms or conditions of the lease or occupancy agreement with the occupants of

such farms to the latter's disadvantage without the approval of the Secretary.

ADMINISTRATIVE PROVISIONS

SEC. 510. In carrying out the provisions of this title, the Secretary shall have the power to—

(a) make contracts for services and supplies without regard to the provisions of section 3709 of the Revised Statutes, as amended, when the aggregate amount involved is less than $300;

(b) enter into subordination, subrogation, or other agreements satisfactory to the Secretary;

(c) compromise claims and obligations arising out of sections 502 to 505, inclusive, of this title and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into as circumstances may require, including the release from personal liability, without payments of further consideration, of—

(1) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume the outstanding indebtedness to the Secretary under this title; and

(2) borrowers who have transferred their farms to other approved applicants for loans who have agreed to assume that portion of the outstanding indebtedness to the Secretary under this title which is equal to the earning capacity value of the farm at the time of the transfer, and borrowers whose farms have been acquired by the Secretary, in cases where the Secretary determines that the original borrowers have cooperated in good faith with the Secretary, have farmed in a workmanlike manner, used due diligence to maintain the security against loss, and otherwise fulfilled the covenants incident to their loans, to the best of their abilities;

(d) collect all claims and obligations arising out of or under any mortgage, lease, contract, or agreement entered into pursuant to this title and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided,* That the prosecution and defense of all litigation under this title shall be conducted under the supervision of the Attorney General and the legal representation shall be by the United States attorneys for the districts, respectively, in which such litigation may arise and by such other attorney or attorneys as may, under law, be designated by the Attorney General;

(e) bid for and purchase at any foreclosure or other sale or otherwise to acquire the property pledged or mortgaged to secure a loan or other indebtedness owing under this title, to accept title to any property so purchased or acquired, to operate or lease such property for such period as may be necessary or advisable, to protect the interest of the United States therein and to sell or

otherwise dispose of the property so purchased or acquired by such terms and for such considerations as the Secretary shall determine to be reasonable and to make loans as provided herein to provide adequate farm dwellings and buildings for the purchasers of such property;

(f) utilize with respect to the indebtedness arising from loans and payments made under this title, all the powers and authorities given to him under the Act approved December 20, 1944, entitled "An Act to authorize the Secretary of Agriculture to compromise, adjust, or cancel certain indebtedness, and for other purposes" (58 Stat. 836), as such Act now provides or may hereafter be amended;

(g) make such rules and regulations as he deems necessary to carry out the purposes of this title.

LOAN FUNDS

SEC. 511. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury for the purpose of making loans under this title (other than loans under section 504(b) or [1] 515(a)). The total principal amount of such notes and obligations issued pursuant to this section during the period beginning July 1, 1956, and ending September [2] 30, 1965, shall not exceed $850,000,000 [2] of which $50,000,000 shall be available exclusively for assistance to elderly persons as provided in clause (3) of section 501(a). The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations

[1] Sec. 4(c), Senior Citizens Housing Act of 1962, Public Law 87-723, approved September 28, 1962, 76 Stat. 670, 672, inserted "or 515(a)".
[2] Sec. 501(a), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 796, substituted "September 30, 1965" for "June 30, 1965" and "$850,000,000" for "$700,000,000".

acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

CONTRIBUTIONS

SEC. 512. In connection with loans made pursuant to section 503, the Secretary is authorized to make commitments for contributions aggregating not to exceed $10,000,000 during the period beginning July 1, 1956, and ending September 30, 1965.[1]

SEC. 513. There is hereby authorized to be appropriated to the Secretary (a) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (i) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503, and (ii) the interest due on a similar sum represented by notes or other obligations issued by the Secretary; (b) not to exceed $50,000,000 for grants pursuant to section 504(a) and loans pursuant to section 504 (b) during the period beginning July 1, 1956, and ending September 30, 1965;[2] (c) [3] not to exceed $10,000,000 for financial assistance pursuant to section 516 for the period ending September 30, 1965;

(d) not to exceed $250,000 per year for research and study programs pursuant to subsections (b), (c), and (d) of section 506 during the period beginning July 1, 1961, and ending September 30, 1965;[2] and (e) such further sums as may be necessary to enable the Secretary to carry out the provisions of this title.

INSURANCE OF LOANS FOR THE PROVISION OF HOUSING AND RELATED FACILITIES FOR DOMESTIC FARM LABOR

SEC. 514. (a) The Secretary is authorized to insure and make commitments to insure loans made by lenders other than the United States to the owner of any farm, any association of farmers, any State or political subdivision thereof, or any public or private nonprofit organization for the purpose of providing housing and related facilities for domestic farm labor in accordance with terms and conditions substantially identical with those specified in section 502; except that—

(1) no such loan shall be insured in an amount in excess of the value of the farm involved less any prior liens in the case of a loan to an individual owner of a farm, or the total estimated value of the structures and facilities with respect to which the loan is made in the case of any other loan;

(2) no such loan shall be insured if it bears interest at a rate in excess of 5 per centum per annum;

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[1] Sec. 501(b), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 796, substituted "September 30, 1965" for "June 30, 1965".
[2] Sec. 501(c), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 796, substituted "September 30, 1965" for "June 30, 1965".
[3] Sec. 503(b), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 798, added this clause and redesignated the following clauses as (d) and (e).

(3) out of interest payments by the borrower the Secretary shall retain a charge in an amount not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan;

(4) the insurance contracts and agreements with respect to any loan may contain provisions for servicing the loan by the Secretary or by the lender, and for the purchase by the Secretary of the loan if it is not in default, on such terms and conditions as the Secretary may prescribe; and

(5) the Secretary may take mortgages creating a lien running to the United States for the benefit of the insurance fund referred to in subsection (b) notwithstanding the fact that the note may be held by the lender or his assignee.

(b) The Secretary shall utilize the insurance fund created by section 11 of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005a) and the provisions of section 13 (a), (b), and (c) of such Act (7 U.S.C. 1005c (a), (b), and (c)) to discharge obligations under insurance contracts made pursuant to this section, and

(1) the Secretary may utilize the insurance fund to pay taxes, insurance, prior liens, and other expenses to protect the security for loans which have been insured hereunder and to acquire such security property at foreclosure sale or otherwise;

(2) the notes and security therefor acquired by the Secretary under insurance contracts made pursuant to this section shall become a part of the insurance fund. Loans insured under this section may be held in the fund and collected in accordance with their terms or may be sold and reinsured. All proceeds from such collections, including the liquidation of security and the proceeds of sales, shall become a part of the insurance fund; and

(3) of the charges retained by the Secretary out of interest payments by the borrower, amounts not less than one-half of 1 per centum per annum of the unpaid principal balance of the loan shall be deposited in and become a part of the insurance fund. The remainder of such charges shall be deposited in the Treasury of the United States and shall be available for administrative expenses of the Farmers Home Administration, to be transferred annually to and become merged with any appropriation for such expenses.

(c) Any contract of insurance executed by the Secretary under this section shall be an obligation of the United States and incontestable except for fraud or misrepresentation of which the holder of the contract has actual knowledge.

(d) The aggregate amount of the principal obligations of the loans insured under this section shall not exceed $25,000,000 in any one fiscal year.

(e) Amounts made available pursuant to section 513 of this Act shall be available for administrative expenses incurred under this section.

(f) As used in this section—

(1) the term "housing" means (A) new structures suitable for dwelling use by domestic farm labor, and (B) existing structures which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement; and

(2) the term "related facilities" means (A) new structures suitable for use as dining halls, community rooms or buildings, or infirmaries, or for other essential services facilities, and (B) existing structures which can be made suitable for the above uses by rehabilitation, alteration, conversion, or improvement; and

(3) [1] the term 'domestic farm labor' means persons who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States and either (A) are citizens of the United States or (B) reside in the United States after being legally admitted for permanent residence therein.

* * *

DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES IN RURAL AREAS

SEC. 515.[2] (a) The Secretary is authorized to make loans to private nonprofit corporations and consumer cooperatives to provide rental housing and related facilities for elderly persons and elderly families of low or moderate income in rural areas, in accordance with terms and conditions substantially identical with those specified in section 502; except that—

(1) no such loan shall exceed the development cost or the value of the security, whichever is less;

(2) such loans shall bear interest at rates determined by the Secretary, not to exceed the maximum rate provided in section 202(a)(3) of the Housing Act of 1959; and

(3) such a loan may be made for a period of up to fifty years from the making of the loan.

There is authorized to be appropriated not to exceed $50,000,000,[3] which shall constitute a revolving fund to be used by the Secretary in carrying out this subsection.

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[1] Immediately prior to amendment by sec. 502, Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769,796, this paragraph read as follows:
"(3) the term 'domestic farm labor' means citizens of the United States who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States."

[2] Sec. 4(b), Senior Citizens Housing Act of 1962, Public Law 87-723, approved September 28, 1962, 76 Stat. 670, 671, added sec. 515. See 6-4.2.

[3] See 40-2-12 for appropriations made pursuant to this authorization.

(b) The Secretary is authorized to insure and make commitments to insure loans made to any individual, corporation, association, trust, or partnership to provide rental housing and related facilities for elderly persons and elderly families in rural areas, in accordance with terms and conditions substantially identical with those specified in section 502; except that—

(1) no such loan shall exceed $300,000 [1] or the development cost or the value of the security, whichever is least;

(2) such loans shall bear interest at rates determined by the Secretary, not to exceed the maximum rate provided in section 203(b)(5) of the National Housing Act;

(3) provide for complete amortization by periodic payments within such term as the Secretary may prescribe;

(4) for insuring such loans, the Secretary shall utilize the Agricultural Credit Insurance Fund subject to all the provisions of section 309 and the second and third sentences of section 308 of the Consolidated Farmers Home Administration Act of 1961, including the authority in section 309(f)(1) of that Act to utilize the insurance fund to make, sell, and insure loans which could be insured under this subsection; but the aggregate of the principal amounts of such loans made by the Secretary and not disposed of shall not exceed $10,000,000 outstanding at any one time; and the Secretary may take liens running to the United States though the notes may be held by other lenders; and

(5) no loan shall be insured under this subsection after September 30, 1965.[2]

(c) No loan shall be made or insured under subsection (a) or (b) unless the Secretary finds that the construction involved will be undertaken in an economical manner and will not be of elaborate or extravagant design or materials.

(d) As used in this section—

(1) the term "housing" means new or existing housing suitable for dwelling use by elderly persons or elderly families;

(2) the term "related facilities" includes cafeterias or dining halls, community rooms or buildings, appropriate recreation facilities, and other essential service facilities;

(3) the term "elderly persons" means persons who are 62 years of age or over; and the term 'elderly families' means families the head of which (or his spouse) is 62 years of age or over; and

(4) the term "development cost" means the costs of constructing, purchasing, improving, altering, or repairing new or existing

[1] Sec. 501(d)(1), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 796, substituted "$300,000" for "$100,000.

[2] Public Law 88-340, approved June 30, 1964, 78 Stat. 233, substituted "September 30, 1964" for "June 30, 1964" and sec. 501(d)(2), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 796, further extended the termination date of this program as indicated in the text.

housing and related facilities and purchasing and improving the necessary land, including necessary and appropriate fees and charges approved by the Secretary.

(e) Amounts made available pursuant to section 513 of this Act shall be available for administrative expenses incurred under this section.

FINANCIAL ASSISTANCE TO PROVIDE LOW-RENT HOUSING FOR DOMESTIC FARM LABOR

SEC. 516.[1] (a) Upon the application of any State or political subdivision thereof, or any public or private nonprofit organization, the Secretary is authorized to provide financial assistance for the provision of low-rent housing and related facilities for domestic farm labor, if he finds that—

(1) the housing and related facilities for which financial assistance is requested will fulfill a pressing need in the area in which such housing and facilities will be located, and there is reasonable doubt that the same can be provided without financial assistance under this section;

(2) the applicant will contribute, from its own resources or from funds borrowed under section 514 or elsewhere, at least one-third of the total development cost;

(3) the types of housing and related facilities to be provided are most practical, giving due consideration to the purposes to be served thereby and the needs of the occupants thereof; and

(4) the construction will be undertaken in an economical manner, and the housing and related facilities will not be of elaborate or extravagant design or material.

(b) The amount of any financial assistance provided under this section for low-rent housing and related facilities shall not exceed two-thirds of the total development cost thereof, as determined by the Secretary, less such amount as the Secretary determines can be practicably obtained from other sources (including a loan under section 514).

(c) No financial assistance for low-rent housing and related facilities shall be made available under this section unless, to any extent and for any periods required by the Secretary, the applicant agrees—

(1) that the rentals charged domestic farm labor shall not exceed such amounts as may be approved by the Secretary, giving due consideraation to the income and earning capacity of the tenants, and the necessary costs of operating and maintaining such housing;

(2) that such housing shall be maintained at all times in a safe and sanitary condition in accordance with such standards as may

[1] Sec. 503(a), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 797, 798, added sec. 516.

be prescribed by State or local law, or, in the absence of such standards, in accordance with such minimum requirements as the Secretary shall prescribe; and

(3) an absolute priority will be given at all times in granting occupancy of such housing and facilities to domestic farm labor.

(d) The Secretary may make payments pursuant to any contract for financial assistance under this section at such times and in such manner as may be specified in the contract. In each contract, the Secretary shall include such covenants, conditions, or provisions as he deems necessary to insure that the housing and related facilities, for which financial assistance is made available, be used only in conformity with the provisions of this section.

(e) The Secretary shall prescribe regulations to insure that Federal funds expended under this section are not wasted or dissipated.

(f) All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary which are undertaken by approved applicants under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary shall not extend any financial assistance under this section for any project without first obtaining adequate assurance that these labor standards will be maintained on the construction work; except that compliance with such standards may be waived by the Secretary in cases or classes of cases where laborers or mechanics, not otherwise employed at any time on the project, voluntarily donate their services without compensation for the purpose of lowering the costs of construction and the Secretary determines that any amounts thereby saved are fully credited to the person, corporation, association, organization, or other entity undertaking the project. The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15), and secton 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

(g) As used in this section—

(1) the term "low-rent housing" means rental housing within the financial reach of families of low income consisting of (A) new structures suitable for dwelling use by domestic farm labor, and (B) existing structures which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement:

(2) the terms "related facilities" and "domestic farm labor" shall have the meaning assigned to them in section 514(f); and

(3) the term "development cost" shall have the meaning assigned to it in section 515(d)(4).

Approved July 15, 1949.

30. Miscellaneous

7. Demonstration Program for Low-Income Housing

# 1. AUTHORIZATION—EXCERPT FROM HOUSING ACT OF 1961

[Public Law 87-70, 87th Congress, 75 Stat. 149, 165]

DEMONSTRATION PROGRAMS

SEC. 207. The Housing and Home Finance Administrator is authorized to enter into contracts to make grants, not exceeding $10,000,000,[1] to public or private bodies or agencies, subject to such terms and conditions as he shall prescribe, for the purposes of developing and demonstrating new or improved means of providing housing for low income persons and families, and [2] of demonstrating the types of housing and the means of providing housing that will assist low income persons or families who qualify as handicapped families as defined in section 202 of the Housing Act of 1959.[3] Advances and progress payments may be made, under any contract to make grants under this section, without regard to the provisions of section 3648 of the Revised Statutes.

Approved June 30, 1961.

[1] Sec. 407, Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 796, substituted "$10,000,000" for "$5,000,000".
[2] Sec. 203(e), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 784, added the remainder of this sentence.
[3] See 6-4.1.

30. Miscellaneous

## 8. EXECUTIVE ORDER 11022

[27 Fed. Reg. 4659]

## ESTABLISHING THE PRESIDENT'S COUNCIL ON AGING

By virtue of the authority vested in me as President of the United States, it is hereby ordered as follows:

SECTION 1. (a) There is hereby established the President's Council on Aging (hereinafter referred to as the "Council").

(b) The Council shall be composed of the Secretary of Health, Education, and Welfare, who shall be Chairman, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of the Treasury, the Chairman of the Civil Service Commission, the Administrator of the Housing and Home Finance Agency, and the Administrator of Veterans' Affairs.

(c) The Chairman of the Council shall invite the head of any other Federal department or agency to attend any meeting of the Council at which any matter within or affecting the area of responsibility of such department or agency is considered and to be a temporary member with respect to such matter.

SEC. 2. The Council shall:

(a) Maintain a continuing study of the overall responsibilities of the Federal Government with respect to the problems of the aging and make recommendations to the President concerning policies and programs required to meet Federal responsibilities, particularly on matters which do not fall within the jurisdiction of a single agency.

(b) Identify matters which require coordinated action by two or more Federal agencies and make appropriate arrangements for joint or coordinated action, including, as appropriate, conferences, joint studies, and the development of recommendations to the President.

(c) Promote the sharing and dissemination of information on the needs of the aging and policies and programs relating to the aging, among Federal departments and agencies and between them and State, local, or private agencies and organizations having functions or interests in fields relating to the problems of the aging.

(d) Prepare an annual consolidated report to the President concerning the activities of the Council and the several Federal departments and agencies having programs relating to the aging.

SEC. 3. (a) Consonant with law, each department or agency represented on the Council shall, as may be necessary for the effectuation of the purpose of this order, furnish assistance to the Council in accordance with Section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691).

(b) Other Federal departments and agencies are also authorized and directed, to the extent not inconsistent with law, to cooperate

with the Council and to furnish it such information and assistance as it may find necessary in the performance of its functions.

SEC. 4. The Federal Council on Aging, established by a letter from the President to the Secretary of Health, Education, and Welfare, dated March 7, 1959, is hereby abolished and that letter is hereby superseded.

JOHN F. KENNEDY

THE WHITE HOUSE

*May 14, 1962.*

30. Miscellaneous

## 9. EXECUTIVE ORDER 11112 [1]

[28 Fed. Reg. 6037]

## ESTABLISHING THE PRESIDENT'S ADVISORY COUNCIL ON THE ARTS

By virtue of the authority vested in me as President of the United States it is ordered as follows:

SECTION 1. *Establishment of the Council.* (a) There is hereby established the President's Advisory Council on the Arts (hereinafter referred to as the Council).

(b) The Council shall be composed of the Secretary of State, the Secretary of the Treasury, the Secretary of Defense, the Postmaster General, the Secretary of the Interior, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Housing and Home Finance Administrator, the Chairman of the Commission of Fine Arts, the Secretary of the Smithsonian Institution, the Director of the United States Information Agency, the Administrator of General Services, the President of the National Gallery of Art, the Chairman of the Trustees of the National Cultural Center, the President's Special Consultant on the Arts, and no more than forty members appointed by the President from among persons in private life who are widely recognized for their role in the arts, including practicing artists, civic and cultural leaders, and others professionally engaged in the arts. Members from private life shall serve for terms of two years, except that the terms of members initially appointed shall be for one or two years as specified by the President. The Chairman shall also invite the Librarian of Congress to be a member of the Council.

(c) The President shall designate the Chairman of the Council.

(d) Federal members of the Council shall receive no compensation for such service. Members appointed from private life shall receive compensation for each day engaged on business of the Council and travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 55a; 5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

(e) The Council shall meet at the call of the Chairman.

SEC. 2. *Functions and Responsibilities of the Council.* (a) The Council shall:

(1) Survey and assess the needs and prospects of the various arts throughout the United States, the means used to encourage creative activity and to afford opportunity for participation in and appreciation and enjoyment of the arts, and the relative roles of governmental and non-governmental institutions in relation to the arts;

[1] Amended by Executive Order 11124, October 28, 1963, 28 Fed. Reg. 11607, to increase the total membership of the Advisory Council on the Arts.

(2) Identify existing Federal legislation, policies and programs which directly or indirectly affect the arts, and evaluate their current and potential effects on the development of cultural opportunities and institutions and, except to the extent that responsibility may be vested by statute in other Federal advisory bodies, the character and quality of Federal activities in the field of the arts;

(3) Submit reports and recommendations to the President on its own initiative or at the request of the President or the President's Special Consultant on the Arts;

(4) Encourage and facilitate the most effective use of resources available for support and development of the arts by advising and consulting with Federal, State and local agencies, civic and community organizations, educational institutions, foundations, and other interested organizations and institutions; and

(5) Promote and stimulate public understanding and recognition of the importance of the arts and cultural institutions to our national welfare and our international interests.

(b) In carrying out its functions the Council shall, insofar as practicable, provide interested Government and non-governmental agencies and organizations and private citizens, including practicing artists and others professionally engaged in the arts, an opportunity to present their views and recommendations to the Council for its consideration.

(c) For the purposes of this section the arts are defined to include music, drama, opera, dance, painting, sculpture, literature, architecture and such allied fields as urban and landscape design, photography, graphic arts, crafts, motion pictures, radio and television.

SEC. 3. *Federal Agencies.* (a) As deemed necessary to facilitate the work of the Council, the Chairman may request the head of any executive department or agency whose activities have significant implications for the arts to designate a liaison officer to consult with and advise the Council on matters of common concern.

(b) Upon request of the Chairman each executive department and agency is authorized and directed, consistent with law, to furnish the Council available information which the Council may require in the performance of its functions.

(c) Each Federal agency represented on the Council shall furnish such necessary assistance to the Council as may be authorized by section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691).[1]

(d) The General Services Administration is hereby designated as the agency which shall provide administrative services for the Council on a reimbursable basis.

JOHN F. KENNEDY

THE WHITE HOUSE,
*June 12, 1963.*

[1] See 40-3-12.

30. Miscellaneous

## 10. EXECUTIVE ORDER 11122

[28 Fed. Reg. 11171]

## ESTABLISHING THE RURAL DEVELOPMENT COMMITTEE

WHEREAS a substantial number of families, both farm and nonfarm, living in rural areas have relatively low cash incomes and do not share equitably in the economic and social progress of the Nation, and it is desirable to encourage and assist such families by providing greater opportunity for their participation in the Nation's production of goods and services and in community, civic, and other affairs; and

WHEREAS the Federal Government, in cooperation with the several States and local governments and private agencies and individuals, pursues a rural-development program designed to develop the human resources in rural America by a series of concerted actions to identify the needs of low-income rural people and to help them to achieve greater rewards for their contributions to our national progress; and

WHEREAS the meeting of legitimate rural-development needs requires vigorous and sustained Federal effort; and

WHEREAS it is necessary to provide suitable Federal organization for the purpose of promoting the coordination of the efforts of the various departments and agencies in this work:

NOW THEREFORE, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

SECTION 1. There is hereby created the Rural Development Committee (hereinafter referred to as the "Committee") which shall consist of the following members, all ex officio: the Secretary of Agriculture, who shall be the chairman of the Committee, the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of the Interior, the Secretary of Labor, the Secretary of the Treasury, the Housing and Home Finance Administrator, and the Administrator of the Small Business Administration. The chairman may from time to time invite the participation of officials of other agencies of the executive branch interested in the functions of the Committee. Each member of the Committee may designate an officer of his agency to act for him as a member of the Committee with respect to any matter considered by the Committee.

SEC. 2. The Committee shall provide leadership and uniform policy guidance to the several Federal departments and agencies responsible for rural-development program functions and related activities so that they may take more effective and concerted actions in carrying out those functions and activities and cooperate more effectively with non-Federal participants, both private and governmental, in the work.

SEC. 3. In conducting its activities, the Committee shall place particular emphasis on effective public and private cooperation and leadership for rural development at the State and local levels, and to that end, shall provide guidance for the conduct of Federal rural-development program functions and related activities in a manner designed to produce optimum State, local, and private participation and initiative in identifying and meeting local needs.

SEC. 4. The Secretary of Agriculture and the Secretary of Commerce, jointly and individually, shall institute and maintain appropriate measures for the effective coordination of each of the following: (1) the rural-development program of the Department of Agriculture and the functions of the Department of Commerce under the Area Redevelopment Act [1] (75 Stat. 47), and (2) the activities of the Committee and the activities of the Area Redevelopment Advisory Policy Board (75 Stat. 48).

SEC. 5. Each department and agency responsible for functions and activities that can contribute to the objectives of the rural-development program and related activities shall carry those functions and activities forward in such a manner as to make the fullest possible contribution to the objectives of rural development.

SEC. 6. The departments and agencies represented on the Committee shall, as may be necessary for the purpose of effectuating the provisions of this order, furnish assistance to the Committee in consonance with Section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691).[2] Such assistance may include the detailing of employees to the Committee, one of whom may serve as its executive secretary, to perform such functions consistent with the purpose of this order as the Committee may assign to them.

SEC. 7. Nothing in this order shall be deemed to authorize any executive department or any other executive agency established by law to carry out any program which is inconsistent with law.

SEC. 8. Executive Order No. 10847 of October 12, 1959, is hereby revoked.

JOHN F. KENNEDY

THE WHITE HOUSE,
*October 16, 1963.*

[1] See 10-2.5.
[2] See 40-3-12.

**30. Miscellaneous**

**11. Training and Fellowship Programs**

# EXCERPTS FROM HOUSING ACT OF 1964

**[Public Law 88-560, 78 Stat. 802]**

## TITLE VIII—TRAINING AND FELLOWSHIP PROGRAMS

### PART 1 [1]—FEDERAL-STATE TRAINING PROGRAMS

FINDINGS AND PURPOSE

SEC. 801. (a) The Congress finds that the rapid expansion of the Nation's urban areas and urban population has caused severe problems in urban and suburban development and created a national need to (1) provide special training in skills needed for economic and efficient community development and (2) support research in new or improved methods of dealing with community development problems.

(b) It is the purpose of this part to assist and encourage the States, in cooperation with public or private universities and colleges and urban centers, to (1) organize, initiate, develop, and expand programs which will provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are training to be, employed by a governmental or public body which has responsibilities for community development; and (2) support State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems.

MATCHING GRANTS TO STATES

SEC. 802. (a) Subject to the provisions of this part and in accordance with regulations prescribed by him, the Administrator may make matching grants to States to assist in—

(1) organizing, initiating, developing, or expanding programs to provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are training to be, employed by a governmental or public body which has responsibilities for community development; and

(2) supporting State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems, and collecting, collating, and publishing statistics and information relating to such research.

(b) No grants may be made to a State under this part unless the Administrator has approved a plan for the State which—

[1] See 30-12 for Part 2- Fellowships for City Planning and Urban Studies.

(1) sets forth the proposed use of the funds and the objectives to be accomplished;

(2) explains the method by which the required amounts from non-Federal sources will be obtained;

(3) provides such fiscal control and fund accounting procedures as may be reasonably necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under this part;

(4) designates an officer or agency of the State government who has responsibility and authority for the administration of a statewide research and training program as the officer or agency with responsibility and authority for the execution of the State program under this part; and

(5) provides that such officer or agency will make such reports to the Administrator, in such form, and containing such information, as may be reasonably necessary to enable the Administrator to perform his duties under this part.

(c) No grant may be made under this part for any use unless an amount at least equal to such grant is made available from non-Federal sources for the same purpose and for concurrent use.

(d) There is authorized to be appropriated for grants under this part, without fiscal year limitation, not to exceed $10,000,000.

STATE LIMIT

SEC. 803. Not more than 10 per centum of the total amount authorized to be appropriated by section 802(d) may be used for making grants to any one State.

TECHNICAL ASSISTANCE, STUDIES, AND PUBLICATION OF INFORMATION

SEC. 804. In order to carry out the purpose of this part, the Administrator is authorized to provide technical assistance to State and local governmental or public bodies and to undertake such studies and publish and distribute such information, either directly or by contract, as he shall determine to be desirable. Nothing contained in this part shall limit any authority of the Administrator under any other provision of law.

MISCELLANEOUS

SEC. 805. (a) As used in this part, the term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands; and the term "Administrator" means the Housing and Home Finance Administrator.

(b) There are authorized to be appropriated such sums as may be necessary for administrative and other expenses in carrying out this part.

Approved September 2, 1964.

**30. Miscellaneous**

**12. Fellowships for City Planning and Urban Studies—Authorization**

# EXCERPTS FROM HOUSING ACT OF 1964

**[Public Law 88-560, 78 Stat. 803]**

## PART 2 [1]—FELLOWSHIPS FOR CITY PLANNING AND URBAN STUDIES

SEC. 810. (a) There is hereby authorized to be appropriated not to exceed $500,000 annually, for a three-year period commencing on July 1, 1964, to be used by the Housing and Home Finance Administrator for the purpose of providing fellowships for the graduate training of professional city planning and urban and housing technicians and specialists as herein provided. Persons shall be selected for such fellowships solely on the basis of ability and upon the recommendation of the Urban Studies Fellowship Advisory Board established pursuant to subsection (b). Fellowships shall be solely for training in public and private nonprofit institutions of higher education having programs of graduate study in the field of city planning or in related fields (including architecture, civil engineering, economics, municipal finance, public administration, and sociology), which programs are oriented to training for careers in city and regional planning, housing, urban renewal, and community development.

(b) There is hereby established the Urban Studies Fellowship Advisory Board (hereinafter referred to as the "Board"), which shall consist of nine members to be appointed by the Housing and Home Finance Administrator as follows: Three from public institutions of higher learning, and three from private nonprofit institutions of higher education, who are the heads of departments which provide academic courses appropriately related to the fields referred to in subsection (a), and three from national organizations which are directly concerned with problems relating to urban, regional, and community development. The Board shall meet upon the request of the Administrator and shall make recommendations to him with respect to persons to be selected for fellowships under this section. Members of the Board shall be entitled to receive transportation expenses and a per diem in lieu of subsistence as authorized for members of advisory committees created pursuant to section 601 of the Housing Act of 1949.

Approved September 2, 1964.

[1] See 30-11 for Part 1 - Federal-State Training Programs.

30. Miscellaneous

## 11. EXECUTIVE ORDER 11182

[29 Fed. Reg. 13629]

### ESTABLISHING FEDERAL DEVELOPMENT PLANNING COMMITTEES FOR ALASKA

WHEREAS the Federal Reconstruction and Development Planning Commission for Alaska has substantially completed the execution of those of its functions which pertain to the reconstruction of the State of Alaska following the earthquake of March 27, 1964; and

WHEREAS the Federal Government and the State of Alaska continue to have a common interest in assuring the most effective use of Federal and State programs and funds in advancing the long-range progress of the State; and

WHEREAS such effective use is dependent upon coordination of Federal and State programs which affect the general economic development of the State and the long-range conservation and use of its natural resources and upon cooperative Federal and State effort with respect to the planning of such programs; and

WHEREAS the State of Alaska has established a State body the duties of which include planning for the general economic development of the State and the long-range conservation and use of its natural resources; and

WHEREAS the authorities of the State of Alaska are desirous of arranging coordinated and cooperative Federal and State approaches to the planning and execution of such programs:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

#### PART I. FIELD COMMITTEE

SECTION 1. *Establishment of Field Committee.* (a) There is hereby established the Federal Field Committee for Development Planning in Alaska (hereinafter referred to as the "Field Committee").

(b) The Field Committee shall be composed of the following members: (1) a Chairman, who shall be appointed by the President, (2) nine members who shall be designated by and represent the following-named officers, respectively: the Secretary of Defense, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Housing and Home Finance Administrator, the Administrator of the Federal Aviation Agency, and the Administrator of the Small Business Administration, (3) one member who shall represent the Federal Power Commission and shall be designated by the Chairman of that Commission, and (4) two public members who shall be appointed by the President.

(c) The Chairman may request any head of a Federal agency who is not referred to in subsection (b), above, to designate a representative to participate in meetings of the Field Committee concerned with matters of substantial interest to such Federal agency head.

(d) The principal place of business of the Field Committee shall be located in the State of Alaska.

SEC. 2. *Functions of the Field Committee.* (a) Subject to the general direction and guidance of the President's Review Committee for Development Planning in Alaska (established by the provisions of Part II of this order; hereinafter sometimes referred to as the "Review Committee"), the Field Committee shall serve as the principal instrumentality for developing coordinated plans for Federal programs which contribute to economic and resources development in Alaska and for recommending appropriate action by the Federal Government to carry out such plans.

(b) The Field Committee shall cooperate with representatives designated by the Governor of Alaska for purposes related to this order in accomplishing the following:

(1) Making or fostering surveys and studies to provide data for the development of plans and programs for economic and resources development in Alaska.

(2) Preparing and keeping current coordinated plans for economic and resources development in Alaska deemed appropriate to carry out existing statutory responsibilities and policies of Federal, State, or local agencies. Such plans shall be designed to promote optimum benefits from the expenditures of Federal, State, and local funds for consistent objectives and purposes.

(3) Preparing legislative and other recommendations with respect to both short-range and long-range programs and projects for Federal, State, or local agencies.

SEC. 3. *Field Committee procedures.* (a) The Field Committee shall meet at the call of its Chairman.

(b) The Field Committee may prescribe such regulations relating to the conduct of its affairs as it may deem to be necessary and not inconsistent with the provisions of this order.

(c) The Field Committee may establish such subcommittees of that Committee as may be necessary.

(d) Activities carried on by personnel employed by or detailed to the Field Committee (1) shall be carried out in accordance with such policies and programs as may be approved by the Field Committee, and (2) shall be under the direction and supervision of the Chairman or, to such extent as may be determined by the Chairman, under the direction of a principal member of the Field Committee's staff.

(e) The Field Committee shall transmit copies of plans or recommendations tentatively formulated by it to the Review Committee, the heads of interested Federal agencies, and the Governor of Alaska, for review and comment. The Field Committee shall consider any comments received by it within 90 days in pursuance of such transmittal and may revise the plans and recommendations as it may deem appropriate.

(f) The Field Committee shall transmit copies of its revised plans and recommendations, together with copies of any comments with respect to the tentative plans or recommendations received by the Field Committee in pursuance of the provisions of subsection (d), above, to the Governor of Alaska and to the Review Committee.

SEC. 4. *Personnel; compensation.* (a) The Chairman of the Field Committee is authorized to appoint such personnel as may be necessary to assist the Field Committee in connection with the performance of its functions and to obtain services in accordance with the provisions of Section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

(b) The Chairman of the Field Committee shall receive such compensation as shall be fixed in accordance with the standards and procedures of the Classification Act of 1949, as amended.

(c) Each member of the Field Committee appointed under the provisions of Section 1(b)(4) hereof may receive compensation for each day he is engaged in meetings of that Committee or is with the approval of the Chairman of the Field Committee engaged in other work in pursuance of the provisions of this order (5 U.S.C. 55a).

(d) Members and personnel of the Field Committee may be allowed travel expenses and per diem in lieu of subsistence as authorized by law.

SEC. 5. *Financing; agency cooperation.* (a) Each Federal agency the head of which is referred to in Section 1(b) of this order shall, as may be necessary, furnish assistance to the Field Committee in accordance with the provisions of Section 214 of the Act of May 3, 1945 (59 Stat. 134; 31 U.S.C. 691).[1] In general, each such Federal agency shall, consonant with law, extend its cooperation to the Field Committee in connection with the carrying out of the functions of the Field Committee, including, as may be appropriate, (1) the furnishing of relevant available information to the Field Committee, (2) the making of studies and the preparation of reports in pursuance of requests of the Field Committee, and (3) in connection with the development of programs and priorities of the agency, the giving of full consideration to any plans and recommendations made by the Field Committee.

(b) Federal agencies the heads of which are not referred to in Section 1(b) of this order shall, to the extent permitted by law, furnish the Field Committee such information or advice bearing upon the work of the Field Committee as the Chairman thereof may from time to time request.

[1] See 40-3-12.

## PART II. REVIEW COMMITTEE

SEC. 11. *Establishment of Review Committee.* (a) There is hereby established the President's Review Committee for Development Planning in Alaska (hereinafter referred to as the "Review Committee").

(b) The Review Committee shall be composed of the following members: the Secretary of Commerce, who shall be the Chairman, the Secretary of Defense, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Housing and Home Finance Administrator, the Administrator of the Federal Aviation Agency, the Administrator of the Small Business Administration, the Chairman of the Federal Power Commission, and two public members who shall be appointed by the President. Each member of the Review Committee, other than a public member, may designate an alternate to represent him at meetings of the Review Committee which he is unable to attend.

(c) The Review Committee shall meet at least once each calendar year, at the call of its Chairman.

(d) The Review Committee may prescribe such regulations relating to the conduct of its affairs as it may deem to be necessary and not inconsistent with the provisions of this order.

SEC. 12. *Functions of the Review Committee.* The Review Committee shall provide general direction and guidance to the Field Committee; receive, review, and comment on the tentative plans or recommendations of the Field Committee; and receive and consider the final plans and recommendations of the Field Committee and transmit them, together with its own comments, to the President and the heads of interested Federal agencies.

SEC. 13. *Compensation; travel expenses.* (a) Each public member of the Review Committee may receive compensation for each day he is engaged in meetings of that Committee or is with the approval of the Chairman of the Review Committee engaged in other work in pursuance of the provisions of this order (5 U.S.C. 55a).

(b) Members and personnel of the Review Committee may be allowed travel expenses and per diem in lieu of subsistence as authorized by law.

SEC. 14. *Assistance by agencies.* Each Federal agency the head of which is referred to in Section 11(b) of this order shall, as may be necessary, furnish assistance to the Review Committee in accordance with the provisions of Section 214 of the Act of May 3, 1945 (59 Stat. 134; 31 U.S.C. 691).[1]

SEC. 15. *Administrative services.* The Department of Commerce is hereby designated as the agency which shall provide administrative services for the Review Committee.

[1] See 40-3-12.

30. Miscellaneous

## 13. EXECUTIVE ORDER 11182

[29 Fed. Reg. 13629]

ESTABLISHING FEDERAL DEVELOPMENT PLANNING COMMITTEES FOR ALASKA

WHEREAS the Federal Reconstruction and Development Planning Commission for Alaska has substantially completed the execution of those of its functions which pertain to the reconstruction of the State of Alaska following the earthquake of March 27, 1964; and

WHEREAS the Federal Government and the State of Alaska continue to have a common interest in assuring the most effective use of Federal and State programs and funds in advancing the long-range progress of the State; and

WHEREAS such effective use is dependent upon coordination of Federal and State programs which affect the general economic development of the State and the long-range conservation and use of its natural resources and upon cooperative Federal and State effort with respect to the planning of such programs; and

WHEREAS the State of Alaska has established a State body the duties of which include planning for the general economic development of the State and the long-range conservation and use of its natural resources; and

WHEREAS the authorities of the State of Alaska are desirous of arranging coordinated and cooperative Federal and State approaches to the planning and execution of such programs:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

PART I. FIELD COMMITTEE

SECTION 1. *Establishment of Field Committee.* (a) There is hereby established the Federal Field Committee for Development Planning in Alaska (hereinafter referred to as the "Field Committee").

(b) The Field Committee shall be composed of the following members: (1) a Chairman, who shall be appointed by the President, (2) nine members who shall be designated by and represent the following-named officers, respectively: the Secretary of Defense, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Housing and Home Finance Administrator, the Administrator of the Federal Aviation Agency, and the Administrator of the Small Business Administration, (3) one member who shall represent the Federal Power Commission and shall be designated by the Chairman of that Commission, and (4) two public members who shall be appointed by the President.

(c) The Chairman may request any head of a Federal agency who is not referred to in subsection (b), above, to designate a representative to participate in meetings of the Field Committee concerned with matters of substantial interest to such Federal agency head.

(d) The principal place of business of the Field Committee shall be located in the State of Alaska.

SEC. 2. *Functions of the Field Committee.* (a) Subject to the general direction and guidance of the President's Review Committee for Development Planning in Alaska (established by the provisions of Part II of this order; hereinafter sometimes referred to as the "Review Committee"), the Field Committee shall serve as the principal instrumentality for developing coordinated plans for Federal programs which contribute to economic and resources development in Alaska and for recommending appropriate action by the Federal Government to carry out such plans.

(b) The Field Committee shall cooperate with representatives designated by the Governor of Alaska for purposes related to this order in accomplishing the following:

(1) Making or fostering surveys and studies to provide data for the development of plans and programs for economic and resources development in Alaska.

(2) Preparing and keeping current coordinated plans for economic and resources development in Alaska deemed appropriate to carry out existing statutory responsibilities and policies of Federal, State, or local agencies. Such plans shall be designed to promote optimum benefits from the expenditures of Federal, State, and local funds for consistent objectives and purposes.

(3) Preparing legislative and other recommendations with respect to both short-range and long-range programs and projects for Federal, State, or local agencies.

SEC. 3. *Field Committee procedures.* (a) The Field Committee shall meet at the call of its Chairman.

(b) The Field Committee may prescribe such regulations relating to the conduct of its affairs as it may deem to be necessary and not inconsistent with the provisions of this order.

(c) The Field Committee may establish such subcommittees of that Committee as may be necessary.

(d) Activities carried on by personnel employed by or detailed to the Field Committee (1) shall be carried out in accordance with such policies and programs as may be approved by the Field Committee, and (2) shall be under the direction and supervision of the Chairman or, to such extent as may be determined by the Chairman, under the direction of a principal member of the Field Committee's staff.

30. Miscellaneous

14. Appalachian Regional Development

# AUTHORIZATION—EXCERPTS FROM APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

[Public Law 89-4, 79 Stat. 5; 6-8; 10-11; 16; 18; 21; 23]

* * *

SEC. 2. The Congress hereby finds and declares that the Appalachian region of the United States, while abundant in natural resources and rich in potential, lags behind the rest of the Nation in its economic growth and that its people have not shared properly in the Nation's prosperity. The region's uneven past development, with its historical reliance on a few basic industries and a marginal agriculture, has failed to provide the economic base that is a vital prerequisite for vigorous, self-sustaining growth. The State and local governments and the people of the region understand their problems and have been working and will continue to work purposefully toward their solution. The Congress recognizes the comprehensive report of the President's Appalachian Regional Commission documenting these findings and concludes that regionwide development is feasible, desirable, and urgently needed. It is, therefore, the purpose of this Act to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis. The public investments made in the region under this Act shall be concentrated in areas where there is a significant potential for future growth, and where the expected return on public dollars invested will be the greatest. The States will be responsible for recommending local and State projects, within their borders, which will receive assistance under this Act. As the region obtains the needed physical and transportation facilities and develops its human resources, the Congress expects that the region will generate a diversified industry, and that the region will then be able to support itself, through the workings of a strengthened free enterprise economy.

* * *

SEC. 101. (a) There is hereby established an Appalachian Regional Commission (hereinafter referred to as the "Commission") which shall be composed of one Federal member, hereinafter referred to as the "Federal Cochairman", appointed by the President by and with the advice and consent of the Senate, and one member from each participating State in the Appalachian region. The Federal Cochairman shall be one of the two Cochairmen of the Commission. Each State member may be the Governor, or his designee, or such other person as may be provided by the law of the State which he represents. The State members of the Commission shall elect a Cochairman of the Commission from among their number.

* * *

FUNCTIONS OF THE COMMISSION

SEC. 102. In carrying out the purposes of this Act, the Commission shall—

(1) develop, on a continuing basis, comprehensive and coordinated plans and programs and establish priorities thereunder, giving due consideration to other Federal, State, and local planning in the region;

(2) conduct and sponsor investigations, research, and studies, including an inventory and analysis of the resources of the region, and, in cooperation with Federal, State, and local agencies, sponsor demonstration projects designed to foster regional productivity and growth;

(3) review and study, in cooperation with the agency involved, Federal, State, and local public and private programs and, where appropriate, recommend modifications or additions which will increase their effectiveness in the region;

(4) formulate and recommend, where appropriate, interstate compacts and other forms of interstate cooperation, and work with State and local agencies in developing appropriate model legislation;

(5) encourage the formation of local development districts;

(6) encourage private investment in industrial, commercial, and recreational projects;

(7) serve as a focal point and coordinating unit for Appalachian programs;

(8) provide a forum for consideration of problems of the region and proposed solutions and establish and utilize, as appropriate, citizens and special advisory councils and public conferences; and

(9) advise the Secretary of Commerce on applications for grants for administrative expenses to local development districts.

RECOMMENDATIONS

SEC. 103. The Commission may, from time to time, make recommendations to the President and to the State Governors and appropriate local officials with respect to—

(1) the expenditure of funds by Federal, State, and local departments and agencies in the region in the fields of natural resources, agriculture, education, training, health and welfare, and other fields related to the purposes of this Act; and

(2) such additional Federal, State, and local legislation or administrative actions as the Commission deems necessary to further the purposes of this Act.

LIAISON BETWEEN FEDERAL GOVERNMENT AND THE COMMISSION

SEC. 104. The President shall provide effective and continuing liaison between the Federal Government and the Commission and a coordinated review within the Federal Government of the plans and recommendations submitted by the Commission pursuant to sections 102 and 103.

ADMINISTRATIVE EXPENSES OF THE COMMISSION

SEC. 105. (a) For the period ending on June 30 of the second full Federal fiscal year following the date of enactment of this Act, the administrative expenses of the Commission shall be paid by the Federal Government. Thereafter, such expenses shall be paid equally by the Federal Government and the States in the region. The share to be paid by each State shall be determined by the Commission. The Federal Cochairman shall not participate or vote in such determination. No assistance authorized by this Act shall be furnished to any State or to any political subdivision or any resident of any State, nor shall the State member of the Commission participate or vote in any determination by the Commission while such State is delinquent in payment of its share of such expenses.

(b) Not to exceed $2,200,000 of the funds authorized in section 401 of this Act shall be available to carry out this section.

ADMINISTRATIVE POWERS OF COMMISSION

SEC. 106. To carry out its duties under this Act, the Commission is authorized to—

* * *

(3) request the head of any Federal department or agency (who is hereby so authorized) to detail to temporary duty with the Commission such personnel within his administrative jurisdiction as the Commission may need for carrying out its functions, each such detail to be without loss of seniority, pay, or other employee status.

* * *

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

SEC. 201. (a) The Secretary of Commerce (hereafter in this section referred to as the "Secretary") is authorized to assist in the construction of an Appalachian development highway system serving the Appalachian region (the length of which shall not exceed two thousand three hundred and fifty miles. In addition thereto, there are authorized to be constructed not in excess of one thousand miles of local access roads, that will serve specific recreational, residential, commercial, industrial, or other like facilities or will facilitate a school consolidation program). The system, in conjunction with the Interstate System and other Federal-aid highways in the region will provide a highway system which will open up an area or areas with a developmental potential where commerce and communication have been inhibited by lack of adequate access. The provisions of title 23, United States Code, that are appli-

cable to Federal-aid primary highways, and which the Secretary determines are not inconsistent with this Act, shall apply to the Appalachian development highway system, and the local access roads.

* * *

(g) To carry out this section, there is hereby authorized to be appropriated $840,000,000.

* * *

SEWAGE TREATMENT WORKS

SEC. 212. (a) In order to provide facilities to assist in the prevention of pollution of the region's streams and to protect the health and welfare of its citizens, the Secretary of Health, Education, and Welfare is authorized to make grants for the construction of sewage treatment works in accordance with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 466 et seq.), without regard to any provisions therein relating to appropriation authorization ceilings or to allotments among the States. Grants under this section shall be made solely out of funds specifically appropriated for the purpose of carrying out this Act, and shall not be taken into account in the computation of the allotments among the States pursuant to any other provision of law.

* * *

PROGRAM IMPLEMENTATION

SEC. 223. A program and projects authorized under any section of this title shall not be implemented until (1) the Commission has consulted with the appropriate official or officials concerned with such program and projects as may be designated by the Governor or Governors of the State or States involved and has obtained the recommendations of such official or officials with respect to such program and projects and (2) plans with respect to such program and projects have been recommended by the Commission and have been submitted to and approved or modified by the President or such Federal officer or officers as the President may designate.

* * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 401. In addition to the appropriations authorized in section 201 for the Appalachian development highway system, there is hereby authorized to be appropriated for the period ending June 30, 1967, to be available until expended, not to exceed $252,400,000 to carry out this Act.

* * *

TERMINATION

SEC. 405. This Act shall cease to be in effect on July 1, 1971.

Approved March 9, 1965.

the development of programs and priorities of the agency, giving full consideration to any plans and recommendations for the development of Appalachia, including recommendations made by the Committee, and (4) advising on the work of the Committee as the Chairman may from time to time request.

SEC. 5. *Construction.* Nothing in this order shall be construed as subjecting any Federal agency, or any function vested by law in, or assigned pursuant to law to, any Federal agency, to the authority of the Committee or the Chairman, or as abrogating or restricting any such function in any manner.

LYNDON B. JOHNSON

THE WHITE HOUSE,
*October 23, 1964.*

30. Miscellaneous

# 14. EXECUTIVE ORDER 11209

[30 Fed. Reg. 3929]

**ESTABLISHING THE FEDERAL DEVELOPMENT COMMITTEE FOR APPALACHIA AND PRESCRIBING OTHER ARRANGEMENTS FOR COORDINATION WITH THE APPALACHIAN REGIONAL COMMISSION**

WHEREAS the Congress has enacted the Appalachian Regional Development Act of 1965 [1] (hereinafter referred to as the "Act") to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region; and

WHEREAS the Congress has found that the Appalachian Region of the United States, while abundant in natural resources and rich in potential, lags behind the rest of the Nation in its economic growth, and has declared its intention to participate in the provision of the public works needed to enable the region to better support itself; and

WHEREAS the proper discharge of Federal responsibilities to the people of the Appalachian region requires that related planning activities of the Federal Government be effectively coordinated:

NOW, THEREFORE, by virtue of the authority vested in me by the Act and as President of the United States, it is ordered as follows:

SECTION 1. *Establishment of Committee.* (a) There is hereby established the Federal Development Committee for Appalachia (hereinafter referred to as the "Committee").

(b) The Committee shall be composed of the Federal Cochairman of the Appalachian Regional Commission established by Section 101 of the Act, who shall be the Chairman of the Committee (hereinafter referred to as the "Chairman"), and nine other members, one of whom shall be designated by and represent each of the following, respectively: the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Secretary of the Army, the Housing and Home Finance Administrator, the Director of the Office of Economic Opportunity, and the board of directors of the Tennessee Valley Authority.

(c) The Chairman may request any Federal agency head not referred to in subsection (b) of this section to designate a representative to provide the agency liaison with the Chairman on Appalachian matters and to participate in meetings of the Committee concerned with matters of substantial interest to such agency head.

SEC. 2. *Functions of the Chairman.* (1) The Chairman shall provide the effective and continuing liaison required by Section 104 of the Act

[1] See 30-14.

between the Federal Government and the Appalachian Regional Commission (hereinafter referred to as the "Commission") and obtain a coordinated review by the interested Federal agencies and departments of plans and recommendations submitted by the Commission pursuant to Sections 102 and 103 of the Act. In carrying out this function, the Chairman shall inform the Federal agencies of matters to be taken under consideration by the Commission, including possible future recommendations of the Commission pursuant to Section 103 or 223 of the Act, and shall undertake to obtain a consensus within the Federal Government, either through the Committee or through consultation with appropriate agency representatives on the Committee, before he casts his vote on any matter as Federal Cochairman of the Commission.

(2) He shall foster surveys and studies by any appropriate Federal agency as necessary to provide data for the preparation and operation of plans and programs for the development of Appalachia.

(3) He shall receive from each appropriate Federal agency proposed plans deemed appropriate to carry out the statutory responsibilities of the agency under the Act, which plans shall be transmitted to the Commission for its information and recommendations.

SEC. 3. *Functions of the Committee.* The Committee shall:

(1) advise the Chairman with respect to (A) surveys and studies needed for the preparation of development plans pursuant to the Act, (B) relevant activities underway and proposed within their agencies, and (C) desirable development objectives and programs for the Appalachian region;

(2) review any proposed agency development plan prepared pursuant to the Act, before the proposed plan is transmitted to the Commission through the Federal Cochairman, with the objective of assuring optimum coordination among the plans of all Federal agencies; and

(3) receive, review, and comment to the Commission through the Chairman on all tentative development plans prepared by the Commission.

SEC. 4. *Responsibilities of Federal Agency Heads.* The head of each Federal agency concerned with a program and projects submitted by the Commission pursuant to Section 223 of the Act is authorized, with the concurrence of the Federal Cochairman, to exercise the powers vested in the President by that section to approve or modify any such program or projects.

SEC. 5. *Administrative Arrangements.* (a) Each Federal agency the head of which is referred to in Section 1(b) of this order shall, as may be necessary, furnish assistance to the Committee in accordance with the provisions of Section 214 of the Act of May 3, 1945 (59 Stat. 134; 31 U.S.C. 691).[1]

[1] See 40-3-12.

(b) Each Federal agency shall, consonant with law and within the limits of available funds, cooperate with the Committee and with the Chairman in carrying out their functions under this order. Such cooperation shall include, as may be appropriate, (1) furnishing relevant available information, (2) making studies and preparing reports pursuant to requests of the Chairman, (3) in connection with the development of programs and priorities of the agency, giving full consideration to any plans and recommendations for the development of Appalachia, including recommendations made by the Committee, and (4) advising on the work of the Committee as the Chairman may from time to time request.

SEC. 6. *Construction.* Nothing in this order shall be construed as subjecting any Federal agency, or any function vested by law in, or assigned pursuant to law to, any Federal agency, to the authority of the Committee or the Chairman, or as abrogating or restricting any such function in any manner.

SEC. 7. *Prior Executive Orders.* The Federal Development Planning Committee for Appalachia, established by Executive Order No. 11186 of October 23, 1964, is hereby abolished and that order is hereby revoked. This section shall be effective on the date of the first meeting of the Commission.

LYNDON B. JOHNSON

THE WHITE HOUSE,
*March 25, 1965.*

30. Miscellaneous

## 15. EXECUTIVE ORDER 11197

[30 Fed. Reg. 1721]

ESTABLISHING THE PRESIDENT'S COUNCIL ON EQUAL OPPORTUNITY

WHEREAS discrimination on the ground of race, creed, color, or national origin is contrary to the constitutional principles, laws, and policies of the United States; and

WHEREAS a number of Federal departments and agencies have been charged, by statute and executive order, with specific responsibility for eliminating such discrimination, and promoting equal opportunity, and all other Federal departments and agencies have obligations with respect thereto; and

WHEREAS there is need for a single body to review and assist in coordinating the activities of all departments and agencies of the Federal government which are directed toward the elimination of such discrimination and the promotion of equal opportunity:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States by the Constitution and laws of the United States, it is ordered as follows:

SECTION 1. There is hereby established the President's Council on Equal Opportunity.

SEC. 2. The Council shall consist of the following:

(1) The Vice President of the United States, who shall be the chairman of the Council.

(2) The Secretary of Defense, the Attorney General, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health, Education, and Welfare, the Chairman of the Civil Service Commission, the Administrator of the Housing and Home Finance Agency, the Director of the Office of Economic Opportunity, the Chairman of the Commission on Civil Rights, the Chairman of the Equal Employment Opportunity Commission, the Administrator of General Services, the Commissioner of Education, the Director of the Community Relations Service, the Chairman of the President's Committee on Equal Employment Opportunity, the Chairman of the President's Committee on Equal Opportunity in Housing, and such other members as the President may from time to time appoint. Each member may designate an alternate to represent him in his absence.

SEC. 3. There shall be an Executive Secretary of the Council, designated by the chairman, who shall assist the chairman and the Council and shall perform such functions as the chairman or the Council may assign or delegate to him.

SEC. 4. The Council shall—

(1) Recommend to the President such policies, programs and actions as will promote the accomplishment of the purposes of the Civil Rights Acts of 1957 and 1964 and other Federal laws relating to civil rights and the achievement of equal opportunity for all persons, without discrimination on the ground of race, creed, color or national origin.

(2) Advise the President of inadequacies in existing Federal laws, policies, and programs relating to civil rights, and in other Federal activities which affect the free exercise of civil rights or the realization of equal opportunity for all citizens, and make recommendations for their improvement.

(3) Recommend to the President such changes in administrative structure and relationships, including those for merger, combination, or elimination of agencies, committees, or other bodies, or duplicative authority within the Federal establishment, as may be necessary (A) to effectuate the purposes of this order; and (B) to coordinate the activities of Federal departments and agencies relevant to such purposes.

(4) Recommend to the President measures which will promote the coordination of Federal activities with those programs of State and local governments which promote civil rights and foster equal opportunity.

(5) Assist Federal departments and agencies to coordinate their programs and activities and to adopt consistent and uniform policies, practices, and procedures with respect to civil rights and promotion of equal opportunity.

(6) Request reports or other information from Federal departments and agencies.

(7) Consult with interested public and private groups and individuals.

(8) Convene such conferences as may promote and coordinate the activities of Federal, State, and local governments and private groups with respect to civil rights and the promotion of equal opportunity.

(9) Make such reports to the President as he shall require or the Council shall deem appropriate.

(10) Adopt rules and regulations to carry out its functions.

SEC. 5. The Chairman of the Council shall—

(1) Preside over meetings of the Council and assist, coordinate, and guide the work of the Council in carrying out its functions.

(2) Implement decisions of the Council and represent the Council and supervise discharge of its functions and responsibilities between meetings of the Council.

(3) Request such reports and otherwise obtain such information from Federal departments and agencies as the chairman deems necessary to effectuate the purposes of this order or to facilitate the work of the Council.

(4) Appoint subcommittees of the Council and special working or study groups from among Federal department and agency personnel.

(5) Appoint staff of the Council.

SEC. 6. The Council shall meet upon the call of the chairman and at such other times as may be provided by its rules and regulations.

SEC. 7. (a) Each Federal department and agency shall cooperate with and assist the Council in the performance of its functions and shall furnish the Council and the chairman with such reports and information as either may request.

(b) Each Federal department and agency represented on the Council shall defray such necessary expenses of and furnish such necessary assistance to, the Council as may be authorized by law, including Section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691).[1]

(c) Members of the Council who are officers or employees of the Federal Government shall receive no additional compensation by virtue of membership on the Council. Other members of the Council shall be entitled to receive compensation and travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 55a; 5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

(d) The Council is authorized to obtain services in accordance with the provisions of Section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

(e) The General Services Administration shall provide administrative services for the Council on a reimbursable basis.

SEC. 8. Each Federal department and agency shall designate an officer, of a rank not lower than Deputy Assistant Secretary or the equivalent, to oversee and coordinate the activities of such department or agency related to the purpose of this order, and to serve as liaison with the Council.

SEC. 9. This Order shall be effective immediately.

LYNDON B. JOHNSON

THE WHITE HOUSE,
*February 5, 1965*

[1] See 40-3-12.

**35. Legal Investment Provisions**

**1. Urban Renewal, Public Housing, Federal National Mortgage Association and Other Obligations**

## 1. NATIONAL BANKS

**[Excerpts from Revised Statutes § § 5136 and 5200 (National Bank Act); Title 12 U.S.C. § § 24 and 84]**

§ 24. CORPORATE POWERS OF ASSOCIATIONS

Upon duly making and filing articles of association and an organization certificate a national banking association shall become, as from the date of the execution of its organization certificate, a body corporate, and as such, and in the name designated in the organization certificate, it shall have power—

* * *

Seventh. To exercise by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business of banking; by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt; by receiving deposits; by buying and selling exchange, coin, and bullion; by loaning money on personal security; and by obtaining, issuing and circulating notes according to the provisions of this chapter. The business of dealing in securities and stock by the association shall be limited to purchasing and selling such securities and stock without recourse, solely upon the order, and for the account of, customers, and in no case for its own account, and the association shall not underwrite any issue of securities or stock: *Provided,* That the association may purchase for its own account investment securities under such limitations and restrictions as the Comptroller of the Currency may by regulation prescribe. In no event shall the total amount of the investment securities of any one obligor or maker, held by the association for its own account, exceed at any time 10 per centum of its capital stock actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund, except that this limitation shall not require any association to dispose of any securities lawfully held by it on August 23, 1935. As used in this section the term "investment securities" shall mean marketable obligations, evidencing indebtedness of any person, copartnership, association, or corporation in the form of bonds, notes and/or debentures commonly known as investment securities under such further definition of the term "investment securities" as may by regulation be prescribed by the Comptroller of the Currency. Except as hereinafter provided or otherwise permitted by law, nothing herein contained shall authorize the purchase by the association for its own account of any shares of stock of any corporation. The limitations and restrictions herein contained as to dealing in, underwriting and purchasing for its account, investment securities shall not apply to obligations of the United States, or general obligations of any State or of any political subdivision thereof, or obligations issued under authority of the subchapters I, II,

and III of chapter 7 [1] of this title or issued by the thirteen banks for cooperatives of any of them or the Federal Home Loan Banks, or obligations which are insured by the Federal Housing Administrator pursuant to section 1713 [2] of this title, if the debentures to be issued in payment of such insured obligations are guaranteed as to principal and interest by the United States, or [3] obligations, participations, or other instruments of or issued by the Federal National Mortgage Association, or such obligations of any local public agency (as defined in section 1460(h) of Title 42) [4] as are secured by an agreement between the local public agency and the Housing and Home Finance Administrator in which the local public agency agrees to borrow from said Administrator, and said Administrator agrees to lend to said local public agency monies [5] in an aggregate amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay, when due, the interest on all installments (including the final installment) of the principal of such obligations, which monies under the terms of said agreement are required to be used for such payments, or such obligations of a public housing agency (as defined in the United States Housing Act of 1937,[6] as amended) as are secured either (1) by an agreement between the public housing agency and the Public Housing Administration in which the public housing agency agrees to borrow from the Public Housing Administration, and the Public Housing Administration agrees to lend to the public housing agency, prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which monies under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity, or (2) by a pledge of annual contributions under an annual contributions contract between such public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by section 1421a(b) of Title 42, and if the maximum sum and the maximum sum and the maximum period specified in such contract pursuant to section 1421a(b) of Title 42 shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on such obligations: *Provided,* That in carrying on the business

[1] Farm loans.
[2] FHA sec. 207 rental housing (4-1.2).
[3] Sec. 701(c), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 800, amended paragraph 7 to authorize National and State member banks of the Federal Reserve System to underwrite participations or other instruments issued by the FNMA in a fiduciary capacity. Prior to this amendment such banks could underwrite only obligations of the FNMA.
[4] Local public agency for slum celarance under Title I, Housing Act of 1949 (7-1 and 7-3).
[5] Sec. 420, Housing Act of 1959, Public Law 86-372, approved September 23, 1959, 73 Stat. 654, 679, amended paragraph 7 to authorize National and State member banks of the Federal Reserve System to underwrite long-term urban renewal obligations. Prior to this amendment such banks could underwrite only short-term urban renewal obligations (up to 18 months).
[6] 8-1.1.

commonly known as the safe-deposit business the association shall not invest in the capital stock of a corporation organized under the law of any State to conduct a safe-deposit business in an amount in excess of 15 per centum of the capital stock of the association actually paid in and unimpaired and 15 per centum of its unimpaired surplus. The limitations and restrictions herein contained as to dealing in and underwriting investment securities shall not apply to obligations issued by the International Bank for Reconstruction and Development or the Inter-American Development Bank which are at the time eligible for purchase by a national bank for its own account, nor to bonds, notes and other obligations issued by the Tennessee Valley Authority: *Provided,* That no association shall hold obligations issued by any of said organizations as a result of underwriting, dealing, or purchasing for its own account (and for this purpose obligations as to which it is under commitment shall be deemed to be held by it) in a total amount exceeding at any one time 10 per centum of its capital stock actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund.

* * *

§ 84. LIMIT OF LIABILITY OF ANY PERSON TO BANK

The total obligations to any national banking association of any person, copartnership, association, or corporation shall at no time exceed 10 per centum of the amount of the capital stock of such association actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund. The term "obligations" shall mean the direct liability of the maker or acceptor of paper discounted with or sold to such association and the liability of the indorser, drawer, or guarantor who obtains a loan from or discounts paper with or sells paper under his guaranty to such association and shall include in the case of obligations of a copartnership or association the obligations of the several members thereof and shall include in the case of obligations of a corporation all obligations of all subsidiaries thereof in which such corporation owns or controls a majority interest. Such limitation of 10 per centum shall be subject to the following exceptions:

* * *

(8) Obligations of any person, copartnership, association, or corporation secured by not less than a like amount of bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States, treasury bills of the United States, or obligations fully guaranteed both as to principal and interest by the United States, shall (except to the extent permitted by rules and regulations prescribed by the Comptroller of the Currency, with the approval of the Secretary of the Treasury) be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.

* * *

(11) Obligations of a local public agency (as defined in section

1460 (h)[1] of Title 42) or of a public housing agency (as defined in the United States Housing Act of 1937, as amended)[2] which have a maturity of not more than eighteen months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor agency and the Housing and Home Finance Administrator or the Public Housing Administration in which the agency agrees to borrow from the Administrator or Administration, and the Administrator or Administration agrees to lend to the agency, prior to the maturity of such obligations, monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which monies under the terms of said agreement are required to be used for that purpose.

* * *

[1] Local public agency for slum clearance under Title I, Housing Act of 1949 (7-1).
[2] 8-1.1.

**35. Legal Investment Provisions**

**1. Urban Renewal, Public Housing, Federal National Mortgage Association and Other Obligations**

## 2. FEDERAL RESERVE BANKS AND MEMBER BANKS

**[Excerpts from Federal Reserve Act, Title 12 U.S.C. § § 335 and 355]**

SEC. 335. DEALING IN INVESTMENT SECURITIES; LIMITATIONS AND CONDITIONS

State member banks shall be subject to the same limitations and conditions with respect to the purchasing, selling, underwriting, and holding of investment securities and stock as are applicable in the case of national banks under paragraph "Seventh" of section 24 of this title.[1]

SEC. 355. PURCHASE AND SALE OF OBLIGATIONS OF NATIONAL, STATE, AND MUNICIPAL GOVERNMENTS

Every Federal reserve bank shall have power to buy and sell, at home or abroad, bonds and notes of the United States, bonds of the Federal Farm Mortgage Corporation having maturities from date of purchase of not exceeding six months, bonds issued under the provisions of subsection (c) of section 1463 of this title[2] and having maturities from date of purchase of not exceeding six months, and bills, notes, revenue bonds, and warrants with a maturity from date of purchase of not exceeding six months, issued in anticipation of the collection of taxes or in anticipation of the receipt of assured revenues by any State, county, district, political subdivision, or municipality in the continental United States, including irrigation, drainage and reclamation districts, such purchases to be made in accordance with rules and regulations prescribed by the Board of Governors of the Federal Reserve System: *Provided,* That, notwithstanding any other provision of this chapter, (1) until July 1, 1960, any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities either in the open market or directly from or to the United States; but all such purchases and sales shall be made in accordance with the provisions of section 263 of this title[3] and the aggregate amount of such obligations acquired directly from the United States which is held at any one time by the twelve Federal Reserve banks shall not exceed $5,000,000,000; and (2) after June 30, 1960, any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities but only in the open market. The Board of Governors of the Federal Reserve System shall include in their annual report to Congress detailed information with respect to direct purchases and sales from or to the United States under the provisions of this proviso.

[1] See 35-1.1 for provisions of Paragraph Seventh.
[2] Home Owners Loan Corporation, which has been liquidated.
[3] Regulations adopted by the "Federal Open-Market Committee".

**35. Legal Investment Provisions**

**1. Urban Renewal, Public Housing, Federal National Mortgage Association and Other Obligations**

## 3. FEDERAL HOME LOAN BANKS

**[Excerpt from Federal Home Loan Bank Act, 12 U.S.C. 1431]**

SEC. 1431. POWERS AND DUTIES OF BANKS—BORROWING MONEY; ISSUING BONDS AND DEBENTURES; GENERAL POWERS

* * *

INVESTMENT OF SURPLUS FUNDS

(h)[1] Such part of the assets of each Federal Home Loan Bank (except reserves and amounts provided for in subsection (g)) of this section as are not required for advances to members or nonmember borrowers, may be invested, to such extent as the bank may deem desirable and subject to such regulations, restrictions, and limitations as may be prescribed by the board, in obligations of the United States, in obligations, participations, or other instruments [2] of or issued by the Federal National Mortgage Association, and in such securities as fiduciary and trust funds may be invested in under the laws of the State in which the Federal Home Loan Bank is located.

* * *

[1] Sec. 11(h) of Public Law 304, 72d Congress, approved July 22, 1932, 47 Stat. 725, as amended by Public Law 560, 83d Congress, approved August 2, 1954, 68 Stat. 622.

[2] Sec. 701(d)(1), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 800, amended subsection (h) to permit investment of surplus funds of Federal home loan banks in participations or other instruments issued by the FNMA in a fiduciary capacity. Prior to this amendment such investment was limited to obligations of the FNMA.

**35. Legal Investment Provisions**

**2. Real Estate Loans**

# 1. NATIONAL BANKS

**[Section 24, Federal Reserve Act, 12 U.S.C. 371]**

SECTION 371. LOANS ON FARM LANDS AND IMPROVED REAL ESTATE; TIME AND SAVINGS DEPOSITS; LOANS FOR CONSTRUCTION OF RESIDENTIAL AND FARM BUILDINGS; LOANS ON FOREST TRACTS

Any national banking association may make real estate loans secured by first liens upon improved real estate, including improved farmland and improved business and residential properties. A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by a mortgage, trust deed, or other instrument upon real estate, which shall constitute a first lien on real estate in fee simple or, under such rules and regulations as may be prescribed by the Comptroller of the Currency, on a leasehold under [1] a lease which does not expire for at least 10 years beyond the maturity date of the loan, and any national banking association may purchase any obligation so secured when the entire amount of such obligation is sold to the association. The amount of any such loan hereafter made shall not exceed 50 per centum of the appraised value of the real estate offered as security and no such loan shall be made for a longer term than five years; except that (1) any such loan may be made in an amount not to exceed 66 2/3 per centum of the appraised value of the real estate offered as security and for a term not longer than ten years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize 40 per centum or more of the principal of the loan within a period of not more than ten years, (2) any such loan may be made in an amount not to exceed 66 2/3 per centum of the appraised value of the real estate offered as security and for a term not longer than twenty years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize the entire principal of the loan within a period of not more than twenty years, and (3) any [2] such loan may be made in an amount not to exceed 80 per centum of the appraised value of the real estate offered as security and for a term not longer than twenty-five years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize the entire principal of the loan within the period ending on the date of its

[1] Sec. 4(a), Public Law 86-251, approved September 9, 1959, 73 Stat. 487, 489, substituted "under a lease which does not expire for at least 10 years beyond the maturity date of the loan" for "(1) under a lease for not less than ninety-nine years which is renewable or (2) under a lease having a period of not less than fifty years to run from the date the loan is made or acquired by the national banking association".

[2] Clause (3) inserted by sec. 4(b)(1), Public Law 86-251, approved September 9, 1959, 73 Stat. 487, 489, and amended by sec. 1004, Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 807, which substituted "80 per centum" for "75 per centum" and "twenty-five years" for "20 years".

maturity, and (4) the foregoing limitations and restrictions shall not prevent the renewal or extension of loans heretofore made and shall not apply to real estate loans which are insured under the provisions of sections 1707 — 1715, 1715b — 1715r, 1736 — 1746a, 1748 — 1748h, 1706c of this title,[1] or subchapter X of chapter 13 of this title or which are insured by the Secretary of Agriculture pursuant to sections 1001 — 1005d of Title 7, or sections 590r to 590x-3 of Title 16, or subchapter III of chapter 8A of Title 42,[2] and [3] shall not apply to real estate loans which are fully guaranteed or insured by a State, or by a State authority for the payment of the obligations of which the faith and credit of the State is pledged, if under the terms of the guaranty or insurance agreement the association will be assured of repayment in accordance with the terms of the loan. No such association shall make such loans in an aggregate sum in excess of the amount of the capital stock of such association paid in and unimpaired plus the amount of its unimpaired surplus fund, or in excess of 70 per centum [4] of the amount of its time and savings deposits, whichever is the greater. Any such association may continue hereafter as heretofore to receive time and savings deposits and to pay interest on the same, but the rate of interest which such association may pay upon such time deposits or upon savings or other deposits shall not exceed the maximum rate authorized by law to be paid upon such deposits by State banks or trust companies organized under the laws of the State in which such association is located.

* * *

Loans [5] made to finance the construction of industrial or commercial buildings and having maturities of not to exceed eighteen months where there is a valid and binding agreement entered into by a financially responsible lender to advance the full amount of the bank's loan upon completion of the buildings and loans made to finance the construction of residential or farm buildings and having maturities of not to exceed eighteen months, shall not be considered as loans secured

[1] Mortgages insured by the Federal Housing Administration under the National Housing Act (4-1).
See also sec. 203(j), the National Housing Act (4-1).
[2] Farm housing loans under Title V of the Housing Act of 1949, as amended.
[3] The rest of this sentence added by sec. 4(b)(2), Public Law 86-251, approved September 9, 1959, 73 Stat. 487, 489.
[4] Sec. 1 of Public Law 87-717, approved September 28, 1962, 76 Stat. 662, substituted "70 per centum" for "60 per centum".
[5] Sec. 4(c) of Public Law 86-251, approved September 9, 1959, 73 Stat. 489, amended this paragraph to read as set forth in the text except that sec. 2 of Public Law 87-717, approved September 28, 1962, 76 Stat. 663, increased from nine months to eighteen months the limitation on maturities of loans that may be made by national banks to finance the construction of residential or farm buildings.
Immediately prior to amendment by sec. 4(c), Public Law 86-251, approved September 9, 1959, 73 Stat. 489, this paragraph read as follows:
Loans made to finance the construction of residential or farm buildings and having maturities of not to exceed nine months, whether or not secured by a mortgage or similar lien on the real estate upon which the residential or farm building is being constructed, shall not be considered as loans secured by real estate within the meaning of this section but shall be classed as ordinary commercial loans: *Provided,* That no national banking association shall invest in, or be liable on, any such loans in an aggregate amount in excess of 50 per centum of its actually paid-in and unimpaired capital. Notes representing such loans shall be eligible for discount as commercial paper within the terms of section 343 of this title, if accompanied by a valid and binding agreement to advance the full amount of the loan upon the completion of the building entered into by an individual, partnership, association, or corporation acceptable to the discounting bank.

by real estate within the meaning of this section but shall be classed as ordinary commercial loans whether or not secured by a mortgage or similar lien on the real estate upon which the building or buildings are being constructed: *Provided,* That no national banking association shall invest in, or be liable on, any such loans in an aggregate amount in excess of 100 per centum of its actually paid-in and unimpaired capital plus 100 per centum of its unimpaired surplus fund. Notes representing loans made under this section to finance the construction of residential or farm buildings and having maturities of not to exceed nine months shall be eligible for discount as commercial paper within the terms of the second paragraph of section 13 of this Act if accompanied by a valid and binding agreement to advance the full amount of the loan upon the completion of the building entered into by an individual, partnership, association, or corporation acceptable to the discounting bank.

Loans made to established industrial or commercial businesses (a) which are in whole or in part discounted or purchased or loaned against as security by a Federal Reserve bank under the provisions of section 352a of this title, (b) for any part of which a commitment shall have been made by a Federal Reserve bank under the provisions of said section, (c) in the making of which a Federal Reserve bank participates under the provisions of said section, or (d) in which the Reconstruction Finance Corporation or the Housing and Home Finance Administrator cooperates or purchases a participation under the provisions of the Reconstruction Finance Corporation Act, as amended, or of section 1701g or 1701g—1 [1] of this title, shall not be subject to the restrictions or limitations of this section upon loans secured by real estate. Loans in which the Small Business Administration cooperates through agreements to participate on an immediate or deferred basis under the Small Business Act shall not be subject to the restrictions or limitations of this section imposed upon loans secured by real estate. Home [2] improvement loans which are insured under the provisions of section 203(k) or 220(h) of the National Housing Act may be made without regard to the first lien requirements of this section.

Loans [3] made to manufacturing and industrial businesses where the association looks for repayment out of the operations of the borrower's business, relying primarily on the borrower's general credit standing and forecast of operations, with or without other security, but wishes to take a mortgage on the borrower's real estate as a precaution against contingencies, shall not be considered as real estate loans within the meaning of this section but shall be classed as ordinary commercial loans.

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[1] Prefabricated housing loans (6-3.1 through 6-3.5).
[2] Sec. 902, Housing Act of 1961, Public Law 87-70, approved June 30, 1961, 75 Stat. 149, 191, added this sentence.
[3] Sec. 4(d), Public Law 86-251, approved September 9, 1959, 73 Stat. 487, 489, added this paragraph.

(2) If secured by a home mortgage given in respect of an amortized home mortgage loan which was for an original term of six years or more, or in cases where shares of stock, which are pledged as security for such loan, mature in a period of six years or more, the advance may be for an amount not in excess of 65 per centum of the unpaid principal of the home mortgage loan; but in no case shall the amount of the advance exceed 60 per centum of the value of the real estate securing the home mortgage loan.

(3) If secured by a home mortgage given in respect of any other home mortgage loan, the advance shall not be for an amount in excess of 50 per centum of the unpaid principal of the home mortgage loan; but in no case shall the amount of such advance exceed 40 per centum of the value of the real estate securing the home mortgage loan.

(4) If secured by obligations of the United States, or obligations fully guaranteed by the United States, the advance shall not be for an amount in excess of the face value of such obligations.

HOME MORTGAGES AS SECURITY

(b) No home mortgage shall be accepted as collateral security for an advance by a Federal Home Loan Bank if, at the time such advance is made (1) the home mortgage loan secured by it has more than thirty [1] years to run to maturity, unless such home mortgage is insured under the National Housing Act, as amended, or insured or guaranteed under the Servicemen's Readjustment Act of 1944, as amended, chapter 37 of Title 38, United States Code, or (2) the home mortgage exceeds, a sum equal to $40,000 [2] for each home or other dwelling unit covered by such mortgage or (3) is past due more than six months when presented, unless the amount of the debt secured by such home mortgage is less than 50 per centum of the value of the real estate with respect to which the home mortgage was given, as such real estate was appraised when the home mortgage was made. For the purposes of this subsection and subsection (a) of this section the value of real estate shall be as of the time the advance is made and shall be established by such certification by the borrowing institution, or such other evidence, as the board may require. For the purposes of this section, each Federal Home Loan Bank shall have power to make, or to cause or require to be made, such appraisals and other investigations as it may deem necessary. No home mortgage otherwise eligible to be accepted as collateral security for an advance by a Federal Home Loan Bank shall be accepted if any director, officer, employee, attorney, or agent of the Federal Home Loan Bank or of the borrowing institution is personally liable thereon, unless the board has specifically approved by formal resolution such acceptance.

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[1] Sec. 906(1), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 805, substituted "thirty" for "twenty-five".
[2] Sec. 906(2), Housing Act of 1964, Public Law 88-560, approved September 2, 1964, 78 Stat. 769, 805, substituted "$40,000" for "$35,000".

NOTES OF BORROWING MEMBERS; INTEREST RATE; LIMITATION ON LOANS; LIEN ON STOCK

(c) Such advances shall be made upon the note or obligation of the member or nonmember borrower secured as provided in this section, bearing such rate of interest as the board may approve or determine, and the Federal Home Loan Bank shall have a lien upon and shall hold the stock of such member as further collateral security for all indebtedness of the member to the Federal Home Loan Bank. At no time shall the aggregate outstanding advances made by any Federal Home Loan Bank to any member exceed twelve times the amounts paid in by such member for outstanding capital stock held by it, or made to a nonmember borrower exceed twelve times the value of the security required to be deposited under subsection (e) of section 1426 of this title.

OBLIGATION TO REPAY; ADDITIONAL SECURITY; SALE OF ADVANCES TO OTHER BANKS

(d) The institution applying for an advance shall enter into a primary and unconditional obligation to pay off all advances, together with interest and any unpaid costs and expenses in connection therewith according to the terms under which they were made, in such form as shall meet the requirements of the bank and the approval of the board. The bank shall reserve the right to require at any time, when deemed necessary for its protection, deposits of additional collateral security or substitutions of security by the borrowing institution, and each borrowing institution shall assign additional or substituted security when and as so required. Subject to the approval of the board, any Federal Home Loan Bank shall have power to sell to any other Federal Home Loan Bank, with or without recourse, any advance made under the provisions of this chapter, or to allow to such bank a participation therein, and any other Federal Home Loan Bank shall have power to purchase such advance or to accept a participation therein, together with an appropriate assignment of security therefor.