

WAR FINANCE CORPORATION.

APRIL 1, 1918.—Ordered to be printed.

Mr. KITCHIN, from the committee of conference, submitted the following

CONFERENCE REPORT.

[To accompany S. 3714.]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows:

In lieu of the matter proposed by the House, insert the following:

TITLE I.—WAR FINANCE CORPORATION.

That the Secretary of the Treasury and four additional persons (who shall be the directors first appointed as hereinafter provided), are hereby created a body corporate and politic in deed and in law by the name, style, and title of the "War Finance Corporation" (herein called the Corporation), and shall have succession for a period of ten years: *Provided*, That in no event shall the Corporation exercise any of the powers conferred by this Act, except such as are incidental to the liquidation of its assets and the winding up of its affairs, after six months after the termination of the war, the date of such termination to be fixed by proclamation of the President of the United States.

Sec 2. That the capital stock of the Corporation shall be \$500,000,000, all of which shall be subscribed by the United States of America, and such subscription shall be subject to call upon the

vote of three-fifths of the board of directors of the Corporation, with the approval of the Secretary of the Treasury, at such time or times as may be deemed advisable; and there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$500,000,000, or so much thereof as may be necessary for the purpose of making payment upon such subscription when and as called. Receipts for payments by the United States of America for or on account of such stock shall be issued by the Corporation to the Secretary of the Treasury, and shall be evidence of stock ownership.

SEC. 3. That the management of the Corporation shall be vested in a board of directors, consisting of the Secretary of the Treasury, who shall be chairman of the board, and four other persons, to be appointed by the President of the United States, by and with the advice and consent of the Senate. No director, officer, attorney, agent, or employee of the Corporation shall in any manner, directly or indirectly, participate in the determination of any question affecting his personal interests, or the interests of any corporation, partnership, or association, in which he is directly or indirectly interested; and each director shall devote his time, not otherwise required by the business of the United States, principally to the business of the Corporation. Before entering upon his duties, each of the four directors so appointed, and each officer, shall take an oath faithfully to discharge the duties of his office. Nothing contained in this or any other Act shall be construed to prevent the appointment as a director of the Corporation of any officer or employee under the United States or of a director of a Federal reserve bank.

Of the four directors so appointed, the President of the United States shall designate two to serve for two years, and two for four years; and thereafter each director so appointed shall serve for four years. Whenever a vacancy shall occur among the directors so appointed, the person appointed director to fill any such vacancy shall hold office for the unexpired term of the member whose place he is selected to fill. Any director shall be subject to removal by the President of the United States. Three members of the board of directors shall constitute a quorum for the transaction of business.

SEC. 4. That the four directors of the Corporation appointed as hereinbefore provided shall receive annual salaries, payable monthly, of \$12,000. Any director receiving from the United States any salary or compensation for services shall not receive as salary from the Corporation any amount which, together with any salary or compensation received from the United States, would make the total amount paid to him by the United States and by the Corporation exceed \$12,000.

SEC. 5. That the principal office of the Corporation shall be located in the District of Columbia, but there may be established agencies or branch offices in any city or cities of the United States under rules and regulations prescribed by the board of directors.

SEC. 6. That the Corporation shall be empowered and authorized to adopt, alter, and use a corporate seal; to make contracts; to purchase or lease and hold or dispose of such real estate as may be necessary for the prosecution of its business; to sue and be sued; to complain and defend in any court of competent jurisdiction, State or

Federal; to appoint, by its board of directors, and fix the compensation of such officers, employees, attorneys, and agents as are necessary for the transaction of the business of the Corporation, to define their duties, require bonds of them and fix the penalties thereof, and to dismiss at pleasure such officers, employees, attorneys, and agents; and to prescribe, amend, and repeal, by its board of directors, subject to the approval of the Secretary of the Treasury, by-laws regulating the manner in which its general business may be conducted and the privileges granted to it by law may be exercised and enjoyed, and prescribing the powers and duties of its officers and agents.

Sec. 7. That the Corporation shall be empowered and authorized to make advances, upon such terms, not inconsistent herewith, as it may prescribe, for periods not exceeding five years from the respective dates of such advances:

(1) To any bank, banker, or trust company, in the United States, which shall have made after April sixth, nineteen hundred and seventeen, and which shall have outstanding, any loan or loans to any person, firm, corporation, or association, conducting an established and going business in the United States, whose operations shall be necessary or contributory to the prosecution of the war, and evidenced by a note or notes, but no such advance shall exceed seventy-five per centum of the face value of such loan or loans; and

(2) To any bank, banker, or trust company, in the United States, which shall have rendered financial assistance, directly or indirectly, to any such person, firm, corporation, or association by the purchase after April sixth, nineteen hundred and seventeen, of its bonds or other obligations, but no such advance shall exceed seventy-five per centum of the value of such bonds or other obligations at the time of such advance, as estimated and determined by the board of directors of the Corporation.

All advances shall be made upon the promissory note or notes of such bank, banker, or trust company, secured by the notes, bonds, or other obligations, which are the basis of any such advance by the Corporation, together with all the securities, if any, which such bank, banker, or trust company may hold as collateral for such notes, bonds, or other obligations.

The Corporation shall, however, have power to make advances (a) up to one hundred per centum of the face value of any such loan made by any such bank, banker, or trust company to any such person, firm, corporation, or association, and (b) up to one hundred per centum of the value at the time of any such advance (as estimated and determined by the board of directors of the Corporation) of such bonds or other obligations by the purchase of which financial assistance shall have been rendered to such person, firm, corporation, or association: *Provided*, That every such advance shall be secured in the manner described in the preceding part of this section, and in addition thereto by collateral security, to be furnished by the bank, banker, or trust company, of such character as shall be prescribed by the board of directors, of a value, at the time of such advance (as estimated and determined by the board of directors of the Corporation), equal to at least thirty-three per centum of the amount advanced by the Corporation. The Corporation shall retain power to require additional security at any time.

SEC. 8. That the Corporation shall be empowered and authorized to make advances from time to time, upon such terms, not inconsistent herewith, as it may prescribe, for periods not exceeding one year, to any savings bank, banking institution or trust company, in the United States, which receives savings deposits, or to any building and loan association in the United States, on the promissory note or notes of the borrowing institution, whenever the Corporation shall deem such advances to be necessary or contributory to the prosecution of the war or important in the public interest: *Provided*, That such note or notes shall be secured by the pledge of securities of such character as shall be prescribed by the board of directors of the Corporation, the value of which, at the time of such advance (as estimated and determined by the board of directors of the Corporation) shall be equal in amount to at least one hundred and thirty-three per centum of the amount of such advance. The rate of interest charged on any such advance shall not be less than one per centum per annum in excess of the rate of discount for ninety-day commercial paper prevailing at the time of such advance at the Federal reserve bank of the district in which the borrowing institution is located, but such rate of interest shall in no case be greater than the average rate receivable by the borrowing institution on its loans and investments made during the six months prior to the date of the advance, except that where the average rate so receivable by the borrowing institution is less than such rate of discount for ninety-day commercial paper the rate of interest on such advance shall be equal to such rate of discount. The Corporation shall retain power to require additional security at any time.

SEC. 9. That the Corporation shall be empowered and authorized, in exceptional cases, to make advances directly to any person, firm, corporation, or association, conducting an established and going business in the United States, whose operations shall be necessary or contributory to the prosecution of the war (but only for the purpose of conducting such business in the United States and only when in the opinion of the board of directors of the Corporation such person, firm, corporation, or association is unable to obtain funds upon reasonable terms through banking channels or from the general public), for periods not exceeding five years from the respective dates of such advances, upon such terms, and subject to such rules and regulations as may be prescribed by the board of directors of the Corporation. In no case shall the aggregate amount of the advances made under this section exceed at any one time an amount equal to twelve and one-half per centum of the sum of (1) the authorized capital stock of the Corporation plus (2) the aggregate amount of bonds of the Corporation authorized to be outstanding at any one time when the capital stock is fully paid in. Every such advance shall be secured by adequate security of such character as shall be prescribed by the board of directors of a value at the time of such advance (as estimated and determined by the board of directors), equal to (except in case of an advance made to a railroad in the possession and control of the President, for the purpose of making additions, betterments or road extensions to such railroad) at least one hundred and twenty-five per centum of the amount advanced by the Corporation. The Corporation shall retain power to require additional security

at any time. The rate of interest charged on any such advance shall not be less than one per centum per annum in excess of the rate of discount for ninety-day commercial paper prevailing at the time of such advance at the Federal reserve bank of the district in which the borrower is located.

SEC. 10. That in no case shall the aggregate amount of the advances made under this title to any one person, firm, corporation, or association exceed at any one time an amount equal to ten per centum of the authorized capital stock of the Corporation, but this section shall not apply in the case of an advance made to a railroad in the possession and control of the President, for the purpose of making additions, betterments or road extensions to such railroad.

SEC. 11. That the Corporation shall be empowered and authorized to subscribe for, acquire, and own, buy, sell, and deal in bonds and obligations of the United States issued or converted after September twenty-fourth, nineteen hundred and seventeen, to such extent as the board of directors, with the approval of the Secretary of the Treasury, may from time to time determine.

SEC. 12. That the Corporation shall be empowered and authorized to issue and have outstanding at any one time its bonds in an amount aggregating not more than six times its paid-in capital, such bonds to mature not less than one year nor more than five years from the respective dates of issue, and to bear such rate or rates of interest, and may be redeemable before maturity at the option of the Corporation, as may be determined by the board of directors, but such rate or rates of interest shall be subject to the approval of the Secretary of the Treasury. Such bonds shall have a first and paramount floating charge on all the assets of the Corporation, and the Corporation shall not at any time mortgage or pledge any of its assets. Such bonds may be issued at not less than par in payment of any advances authorized by this title, or may be offered for sale publicly or to any individual, firm, corporation, or association, at such price or prices, as the board of directors, with the approval of the Secretary of the Treasury, may determine.

Upon such terms not inconsistent herewith as may be determined from time to time by the board of directors, with the approval of the Secretary of the Treasury, at or before the issue thereof, any of such bonds may be issued payable in any foreign money or foreign moneys, or issued payable at the option of the respective holders thereof either in dollars or in any foreign money or foreign moneys at such fixed rate of exchange as may be stated in any such bonds. For the purpose of determining the amount of bonds issued payable in any foreign money or foreign moneys the dollar equivalent shall be determined by the par of exchange at the date of issue thereof, as estimated by the Director of the Mint and proclaimed by the Secretary of the Treasury in pursuance of the provisions of section twenty-five of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes," approved August twenty-seventh, eighteen hundred and ninety-four.

SEC. 13. That the Federal reserve banks shall be authorized, subject to the maturity limitations of the Federal reserve Act and to regulations of the Federal Reserve Board, to discount the direct obligations of member banks secured by such bonds of the Corpora-

tion and to rediscount eligible paper secured by such bonds and indorsed by a member bank. No discount or rediscount under this section shall be granted at a less interest charge than one per centum per annum above the prevailing rates for eligible commercial paper of corresponding maturity.

Any Federal reserve bank may, with the approval of the Federal Reserve Board, use any obligation or paper so acquired for any purpose for which it is authorized to use obligations or paper secured by bonds or notes of the United States not bearing the circulation privilege: *Provided, however,* That whenever Federal reserve notes are issued against the security of such obligations or paper the Federal Reserve Board may make a special interest charge on such notes, which, in the discretion of the Federal Reserve Board, need not be applicable to other Federal reserve notes which may from time to time be issued and outstanding. All provisions of law, not inconsistent herewith, in respect to the acquisition by any Federal reserve bank of obligations or paper secured by such bonds or notes of the United States, and in respect to Federal reserve notes issued against the security of such obligations or paper, shall extend, in so far as applicable, to the acquisition of obligations or paper secured by the bonds of the Corporation and to the Federal reserve notes issued against the security of such obligations or paper.

SEC. 14. That the Corporation shall not exercise any of the powers granted by this title or perform any business except such as is incidental and necessarily preliminary to its organization until it has been authorized by the President of the United States to commence business under the provisions of this title.

SEC. 15. That all net earnings of the Corporation not required for its operations shall be accumulated as a reserve fund until such time as the Corporation liquidates under the terms of this title. Such reserve fund shall, upon the direction of the board of directors; with the approval of the Secretary of the Treasury, be invested in bonds and obligations of the United States, issued or converted after September twenty-fourth, nineteen hundred and seventeen, or upon like direction and approval may be deposited in member banks of the Federal Reserve System, or in any of the Federal reserve banks, or be used from time to time, as well as any other funds of the Corporation, in the purchase or redemption of any bonds issued by the Corporation. The Federal reserve banks are hereby authorized to act as depositaries for and as fiscal agents of the Corporation in the general performance of the powers conferred by this title. Beginning six months after the termination of the war, the date of such termination to be fixed by a proclamation of the President of the United States, the directors of the Corporation shall proceed to liquidate its assets and to wind up its affairs, but the directors of the Corporation, in their discretion, may, from time to time, prior to such date, sell and dispose of any securities or other property acquired by the Corporation. Any balance remaining after the payment of all its debts shall be paid into the Treasury of the United States as miscellaneous receipts, and thereupon the Corporation shall be dissolved.

SEC. 16. That any and all bonds issued by the Corporation shall be exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the

possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, corporations, or associations. The interest on an amount of such bonds the principal of which does not exceed in the aggregate \$5,000, owned by any individual, partnership, corporation, or association, shall be exempt from the taxes referred to in clause (b). The Corporation, including its franchise and the capital and reserve or surplus thereof, and the income derived therefrom, shall be exempt from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except that any real property of the Corporation shall be subject to State, county, or municipal taxes to the same extent, according to its value, as other real property is taxed.

SEC. 17. That the United States shall not be liable for the payment of any bond or other obligation or the interest thereon issued or incurred by the Corporation, nor shall it incur any liability in respect of any act or omission of the Corporation.

SEC. 18. That whoever (1) makes any statement, knowing it to be false, for the purpose of obtaining for himself or for any other person, firm, corporation, or association any advance, under this title, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than five years, or both.

Whoever willfully overvalues any security by which any such advance is secured, shall be punished by a fine of not more than \$5,000, or by imprisonment for not more than two years, or both.

Whoever (1) falsely makes, forges, or counterfeits any bond, coupon, or paper in imitation of or purporting to be in imitation of a bond or coupon issued by the Corporation; or (2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged, or counterfeited bond, coupon, or paper purporting to be issued by the Corporation, knowing the same to be falsely made, forged, or counterfeited; or (3) falsely alters any such bond, coupon, or paper; or (4) passes, utters, or publishes as true any falsely altered or spurious bond, coupon, or paper issued or purporting to have been issued by the Corporation, knowing the same to be falsely altered or spurious, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than five years, or both.

Whoever, being connected in any capacity with the Corporation, (1) embezzles, abstracts, or willfully misapplies any moneys, funds, or credits thereof, or (2) with intent to defraud the Corporation or any other company, body politic or corporate, or any individual, or to deceive any officer of the Corporation, (a) makes any false entry in any book, report, or statement of the Corporation, or (b) without authority from the directors draws any order or assigns any note, bond, draft, mortgage, judgment, or decree thereof, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than five years, or both.

The Secretary of the Treasury is hereby authorized to direct and use the Secret Service Division of the Treasury Department to detect, arrest, and deliver into custody of the United States marshal

having jurisdiction any person committing any of the offenses punishable under this section.

SEC. 19. That the Corporation shall file quarterly reports with the Secretary of the Senate and with the Clerk of the House of Representatives, stating as of the first day of each month of the quarter just ended (1) the total amount of capital paid in, (2) the total amount of bonds issued, (3) the total amount of bonds outstanding, (4) the total amount of advances made under each of sections seven, eight, and nine, (5) a list of the classes and amount of securities taken under each of such sections, (6) the total amount of advances outstanding under each of sections seven, eight, and nine, and (7) such other information as may be hereafter required by either House of Congress.

The Corporation shall make a report to Congress on the first day of each regular session, including a detailed statement of receipts and expenditures.

SEC. 20. Section fifty-two hundred and two of the Revised Statutes of the United States is hereby amended so as to read as follows: "Sec. 5202. No national banking association shall at any time be indebted, or in any way liable, to an amount exceeding the amount of its capital stock at such time actually paid in and remaining undiminished by losses or otherwise, except on account of demands of the nature following:

"First. Notes of circulation.

"Second. Moneys deposited with or collected by the association.

"Third. Bills of exchange or drafts drawn against money actually on deposit to the credit of the association, or due thereto.

"Fourth. Liabilities to the stockholders of the association for dividends and reserve profits.

"Fifth. Liabilities incurred under the provisions of the Federal Reserve Act.

"Sixth. Liabilities incurred under the provisions of the War Finance Corporation Act."

TITLE II.—CAPITAL ISSUES COMMITTEE.

SEC. 200. That there is hereby created a committee to be known as the "Capital Issues Committee," hereinafter called the Committee, and to be composed of seven members to be appointed by the President of the United States, by and with the advice and consent of the Senate. At least three of the members shall be members of the Federal Reserve Board.

No member, officer, attorney, agent, or employee of the Committee shall in any manner, directly or indirectly, participate in the determination of any question affecting his personal interests, or the interest of any corporation, partnership, or association in which he is directly or indirectly interested. Before entering upon his duties, each member and officer shall take an oath faithfully to discharge the duties of his office. Nothing contained in this or any other Act shall be construed to prevent the appointment as a member of the Committee, of any officer or employee under the United States or of a director of a Federal reserve bank.

The terms during which the several members of the Committee shall respectively hold office shall be determined by the President.

of the United States, and the compensation of the several members of the Committee who are not members of the Federal Reserve Board shall be \$7,500 per annum, payable monthly, but if any such member receives any other compensation from any office or employment under the United States the amount so received shall be deducted from such salary, and if such other compensation is \$7,500 or more, such member shall receive no salary as a member of the Committee. Any member shall be subject to removal by the President of the United States. The President shall designate one of the members as chairman; but any subsequent vacancy in the chairmanship shall be filled by the Committee. Four members of the Committee shall constitute a quorum for the transaction of business.

SEC. 201. That the Committee may employ and fix the compensation of such officers, attorneys, agents, and other employees as may be deemed necessary to conduct its business, who shall be appointed without regard to the provisions of the Act entitled "An Act to regulate and improve the civil service of the United States," approved January sixteenth, eighteen hundred and eighty-three (volume twenty-two, United States Statutes at Large, page four hundred and three), and amendments thereto or any rules or regulations made in pursuance thereof. No such officer, attorney, agent, or employee shall receive more compensation than persons performing services of like or similar character under the Federal Reserve Board.

SEC. 202. That all the expenses of the Committee, including all necessary expenses for transportation incurred by the members or by its officers, attorneys, agents, or employees under its orders in making an investigation or upon official business in any other places than at their respective headquarters, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman.

The Committee may rent suitable offices for its use, and purchase such furniture, equipment, and supplies as may be necessary, but shall not expend more than \$10,000 annually for offices in the District of Columbia.

The principal office of the Committee shall be in the District of Columbia, but it may meet and exercise all its powers at any other place. The Committee may, by one or more of its members, or by such agents as it may designate, prosecute any inquiry necessary to its duties in any part of the United States.

SEC. 203. That the Committee may, under rules and regulations to be prescribed by it from time to time, investigate, pass upon, and determine whether it is compatible with the national interest that there should be sold or offered for sale or for subscription any issue, or any part of any issue, of securities hereafter issued by any person, firm, corporation, or association, the total or aggregate par or face value of which issue and any other securities issued by the same person, firm, corporation, or association since the passage of this Act is in excess of \$100,000. Shares of stock of any corporation or association without nominal or par value shall for the purpose of this section be deemed to be of the par value of \$100 each. Any securities which upon the date of the passage of this Act are in the possession or control of the corporation, association, or obligor issu-

ing the same shall be deemed to have been issued after the passage of this Act within the meaning hereof.

Nothing in this title shall be construed to authorize such Committee to pass upon (1) any borrowing by any person, firm, corporation, or association in the ordinary course of business as distinguished from borrowing for capital purposes, (2) the renewing or refunding of indebtedness existing at the time of the passage of this Act, (3) the resale of any securities the sale or offering of which the Committee has determined to be compatible with the national interest, (4) any securities issued by any railroad corporation the property of which may be in the possession and control of the President of the United States, or (5) any bonds issued by the War Finance Corporation.

Nothing done or omitted by the Committee hereunder shall be construed as carrying the approval of the Committee or of the United States of the legality, validity, worth, or security of any securities.

SEC. 204. That there is hereby appropriated out of any money in the Treasury not otherwise appropriated, for the remainder of the fiscal year ending June thirtieth, nineteen hundred and eighteen, and the fiscal year ending June thirtieth, nineteen hundred and nineteen, the sum of \$200,000 for the purpose of defraying the expenses of the establishment and maintenance of the Committee, including the payment of the salaries and rents herein authorized.

SEC. 205. That the committee shall make a report to Congress on the first day of each regular session, including a detailed statement of receipts and expenditures, and also including the names of all officers and employees and the salary paid to each.

SEC. 206. That this title shall continue in effect until, but not after, the expiration of six months after the termination of the war, the date of such termination to be determined by a proclamation of the President of the United States, but the President may at any time by proclamation declare that this title is no longer necessary, and thereupon it shall cease to be in effect.

TITLE III.—MISCELLANEOUS.

SEC. 300. That whoever willfully violates any of the provisions of this Act, except where a different penalty is provided in this Act, shall, upon conviction in any court of the United States of competent jurisdiction, be fined not more than \$10,000 or imprisoned for not more than one year, or both; and whoever knowingly participates in any such violation, except where a different penalty is provided in this Act, shall be punished by a like fine or imprisonment, or both.

SEC. 301. That no stamp tax shall be required or imposed upon a promissory note secured by the pledge of bonds or obligations of the United States issued after April twenty-fourth, nineteen hundred and seventeen, or secured by the pledge of a promissory note which itself is secured by the pledge of such bonds or obligations: *Provided*, That in either case the par value of such bonds or obligations shall equal the amount of such note.

SEC. 302. That if any clause, sentence, paragraph, or part of this Act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, or, in case any court of competent jurisdiction shall adjudge to be invalid any provisions hereof in respect

of any class or classes of securities, such judgment shall not affect, impair, or invalidate the remainder of this Act, but shall be confined in its operation to the clause, sentence, paragraph, part, or subject matter of this Act directly involved in the controversy in which such judgment shall have been rendered.

SEC. 303. That the term "securities," as used in this Act, includes stocks, shares of stock, bonds, debentures, notes, certificates of indebtedness, and other obligations.

SEC. 304. That the right to amend, alter, or repeal this Act is hereby expressly reserved.

SEC. 305. That the short title of this Act shall be the "War Finance Corporation Act."

SEC. 306. That all provisions of any Act or Acts inconsistent with the provisions of this Act are hereby repealed.

Amend the title to read as follows:

An act to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and to supervise the issuance of securities, and for other purposes.

And the House agree to the same.

CLAUDE KITCHIN,
HENRY T. RAINEY,
LINCOLN DIXON,
J. HAMPTON MOORE,
WILLIAM R. GREEN,

Managers on the part of the House.

F. M. SIMMONS,
WM. J. STONE,
JOHN SHARP WILLIAMS,
BOIES PENROSE,
H. C. LODGE,

Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3714) to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

TITLE I. War Finance Corporation.

SECTION 1.—*Establishment of War Finance Corporation.*

—The Senate bill sets forth the purposes of the act. The House bill eliminated the statement of the purposes of the act, in view of the fact that the purposes were fully set out in the title. The remainder of the section is identical in both bills, except for minor clerical changes. The conferees adopt the House section.

SECTION 2.—*Capital stock of the corporation.*

The substance of this section is the same in both bills. The House bill makes a transposition of language in the interest of clearness. The conferees adopt the House section.

SECTION 3.—*Management of the corporation.*

The substance of the two bills is identical, with the following exception:

1. The House bill provides that not more than three of the five directors shall be members of the same political party. The Senate bill contained no similar provision. The conferees omit this provision.

2. The House bill provides that each director shall devote to the business of the corporation all of his time not devoted to the business of the United States. The Senate bill contains no similar provision; therefore it would not require a director to devote his entire time to the business of the corporation or to the business of the United States. The conferees provide that "each director shall devote his time, not otherwise required by the business of the United States, principally to the business of the corporation."

3. The House bill provides that nothing contained in this or any other act shall be construed to prevent the appointment as a director of the corporation of any officer or employee under the United States or of a director of a Federal reserve bank. The similar provision of the Senate bill is not as broad as the provision of the House bill, and

provides that nothing contained in this act or in the Federal reserve act shall be construed to prevent the appointment of a member of the Federal Reserve Board or of any other governmental administrative body, or of a director of a Federal reserve bank, as a director of the corporation. The conferees adopt the House provision.

SECTION 4.—*Salary of the directors.*

The substance of the provisions of the two bills is identical, with the exception that the House bill fixes the salary of the directors at \$12,000 per annum, while the Senate bill allows the Secretary of the Treasury, with the approval of the President of the United States, to fix the salaries at an amount not exceeding \$12,000. The conferees adopt the House section.

SECTION 5.—*The principal offices of the corporation.*

The provisions of the two bills are identical, with the exception that the House bill permits the board of directors to establish agencies or branch offices in any city or cities of the United States, while the Senate bill permits the board of directors, with the approval of the Secretary of the Treasury, to establish such agencies or offices. The conferees adopt the House section.

POWER OF THE CORPORATION.

SECTION 6.—*Ordinary corporate powers.*

The provisions giving the corporation the ordinary powers and privileges enjoyed by corporations are identical except for certain clerical changes in the interest of clearness. The conferees adopt the House section with minor changes.

SECTION 7.—*Advances through banks.*

The substance of the provisions of the two bills relating to advances through banks are the same, with the exception of the following:

1. The house bill limits the advances that can be made by the corporation to those made upon the basis of loans of banks, bankers, or trust companies made and outstanding to persons, firms, corporations, or associations since April 6, 1917, the date of the declaration of war. The Senate bill contains no such limitation and would permit the corporation to make advances to banks, bankers, or trust companies on outstanding loans whenever made. The conferees adopt the House provision.

2. The House bill limits the advances, which can be made by the corporation to banks, bankers, or trust companies (on the basis of securities of war industries held by such banks, bankers, or trust companies) to such securities purchased since April 6, 1917. The Senate bill contains no such limitation, and would allow such advances to be made on any war-industry securities held by banks, bankers, or trust companies which have rendered financial assistance, directly or indirectly, by the purchase of such securities from persons, firms, corporations, or associations whose operations are

necessary or contributory to the prosecution of the war. The conferees adopt the House provision.

3. The House bill limits the advances to banks, bankers, or trust companies in the United States. The Senate bill contains no such limitation. The conferees adopt the House provision.

4. The House bill limits the persons, firms, corporations, or associations whose loans may be made the basis of an advance to a bank, banker, or trust company to those conducting an established and going business in the United States. The Senate bill contains no such limitation, and would permit advances to be made to concerns outside of the United States, if such concerns had outstanding loans or held securities of concerns whose operations were necessary or contributory to the prosecution of the war. The conferees adopt the House provision.

5. The House bill requires the corporation when it makes an advance up to 100 per cent of the face value of the loan by the bank, banker, or trust company to require additional security equal to at least 33 per cent. The Senate bill requires in such cases additional security equal to at least 25 per cent. The conferees adopt the House provision.

6. The Senate bill gives fire and life insurance companies the same privilege permitted to banks, bankers, or trust companies under this section. The House bill does not give fire and life insurance companies this privilege. The conferees omit this provision.

7. The House bill provides that the corporation shall retain power to require additional security at any time. The Senate bill provides that the corporation shall retain power to require additional collateral security at any time. The word "collateral" is left out in the House bill. The conferees adopt the House provision.

SECTION 8.—*Advances to savings banks and similar institutions.*

The substance of the provisions of the two bills providing for advances to savings banks and similar institutions are identical, with the following exceptions:

1. The House bill permits advances to be made to trust companies in the United States which receive savings deposits. The Senate bill does not extend this privilege to trust companies. The conferees adopt the House provision.

2. The House bill limits the advances that can be made under this section to banking institutions and building and loan associations in the United States. The Senate bill does not require such institutions or associations to be doing business in the United States. The conferees adopt the House provision.

3. The House bill provides that the board of directors shall prescribe the character of securities that shall be required of savings banks and similar institutions receiving advances under this section. The Senate bill prescribes that the board of directors of the corporation, with the approval of the Secretary of the Treasury, shall prescribe the character of such securities. The conferees adopt the House provision.

4. The Senate bill provides that the rate of interest charged savings banks and similar institutions shall not be less than one-half of 1 per cent per annum in excess of the rate of discount for 90-day

commercial paper prevailing at the time of such advances at the Federal reserve bank of the district in which the borrowing institution is located. The House bill provides that such rate of interest shall not be less than 1 per cent per annum in excess of the rate for such 90-day commercial paper. The conferees adopt the House provision, with the added limitation that such rate of interest shall in no case be greater than the average rate receivable by the borrowing institution on its loans and investments made during the six months prior to the date of the advance, except that where the average rate so receivable by the borrowing institution is less than such rate of discount for 90-day commercial paper the rate of interest on such advance shall be equal to such rate of discount.

5. The Senate bill provides that all advances made to savings banks and similar institutions shall be secured by the pledge of securities the market value of which shall be equal in amount to at least 125 per cent of the amount of the advances. The House bill increases the amount of securities to be required in such cases to an amount equal to at least 133 per cent of the amount of the advance. The conferees adopt the House provision.

6. The Senate bill provides that in the case of loans to savings banks and similar institutions that the corporation shall retain power to require additional collateral security at any time. The House bill provides that in making advances to such institutions the corporation shall retain power to require additional security at any time. The word "collateral" is left out in the House provision. The conferees adopt the House provision.

SECTION 9.—*Direct loans made by the corporation.*

The Senate bill provides that the corporation may make advances upon adequate security directly (1) to any person, firm, corporation, or association owning or controlling (directly or through stock ownership) any railroad or other public utility and (2) to any person, firm, corporation, or association conducting an established and going business whose bonded indebtedness is not in excess of its actual invested capital and assets and whose operations are necessary or contributory to the prosecution of the war. The Senate bill also provides that such advances shall be made only in such cases as the board of directors shall determine to be of exceptional importance in the public interest.

The similar provision of the House bill makes no specified reference to any particular class of business, but authorizes the corporation to make advances in exceptional cases direct to any person, firm, corporation, or association conducting an established and going business in the United States whose operations shall be necessary or contributory to the prosecution of the war (but only for the purpose of conducting such business in the United States, and only when such person, firm, corporation, or association is unable to obtain funds upon reasonable terms through banking channels or from the general public.) The conferees adopt the House provision, except that the determination of the ability of the applicant for the loan to obtain money through banking channels or from the general public is specifically left to the judgment of the board of directors of the corporation.

The Senate bill contains no limit to the amount of money that can be loaned direct under this section by the corporation to any person, firm, corporation, or association. The House bill provides that the corporation can not have outstanding at any one time in direct loans more than one-sixth of its paid-in capital stock plus the aggregate amount of its bonds authorized to be outstanding at such time. The conferees adopt a provision limiting the aggregate amount of advances, made in direct loans, which may be outstanding at any one time to one-eighth of the sum of its authorized capital stock and bonds.

The House bill also contains an additional limitation with reference to the advances to be made direct by the corporation not contained by the Senate bill, namely, that the rate of interest charged on any such advance shall not be less than 1 per cent per annum in excess of the rate of discount for 90-day commercial paper prevailing at the time of such advance at the Federal reserve bank of the district in which the borrower is located. The conferees adopt the House provision.

The Senate bill authorizes the corporation to make loans direct upon adequate security. The House bill provides that the direct loans shall be secured by adequate security equal to at least 133 per cent of the amount advanced by the corporation. The conferees adopt the House provision, changing 133 per cent to 125 per cent and providing that advances to railroads under Federal control for the purpose of making additions, betterments, or road extensions shall be secured by security deemed adequate by the directors of the corporation.

SECTION 10.—*Single advances to the corporation.*

The House bill provides that in no case shall the aggregate amount of advances made under this act to any person, firm, corporation, or association exceed at any one time 10 per cent of the authorized capital stock of the corporation, or \$50,000,000. The Senate bill contains no such limitation. The conferees adopt the House provision, but except from its operation advances to railroads under Federal control for the purpose of making additions, betterments, or road extensions.

SECTION 11.—*Purchase and sale of Government bonds and obligations.*

The Senate bill authorizes the corporation to subscribe for, acquire, and own, buy, sell, and deal in bonds and obligations of the United States to such extent as the Secretary of the Treasury may from time to time determine. The House bill limits the power of the corporation in that it only authorizes it to subscribe for, acquire, and own, buy, sell, and deal in bonds and obligations of the United States issued or converted since September 24, 1917, and only to such extent as the board of directors, with the approval of the Secretary of the Treasury, may from time to time determine. While the Senate bill would permit the corporation to deal in Government bonds and obligations of all issues, the House bill would only authorize it to deal in such bonds and obligations issued or converted since September 24, 1917, the date the last bond act became a law. The conferees adopt the House provision.

SECTION 12.—*Corporate authority to issue bonds.*

The House bill authorizes the corporation to issue \$2,000,000,000 worth of bonds. The Senate bill authorizes it to issue \$4,000,000,000 worth of bonds. The conferees authorize it to issue \$3,000,000,000 worth of bonds.

The House bill provides that these bonds can not be offered for sale at less than par. Under the Senate bill the bonds could be offered for sale at less than par if the board of directors, with the approval of the Secretary of the Treasury, should so determine. The conferees adopt the Senate provision.

The House bill requires the approval of the Secretary of the Treasury only as to the rate of interest, whereas the Senate bill requires such approval as to every corporate act in relation to the issue of its bonds. The conferees adopt the House provision.

Both bills authorize the issuance of bonds payable in foreign money; but the House bill contained fuller provisions therefor. The conferees adopt the House provision, with verbal changes.

SECTION 13.—*Federal reserve banks authorized to discount paper secured by War Finance Corporation bonds.*

Both bills authorize the Federal reserve banks to discount the direct obligations of the member banks secured by bonds of the corporation and to rediscount eligible paper secured by such bonds and indorsed by a member bank.

The Senate bill provides that in the case of discount and rediscount of the obligations of member banks of the Federal Reserve System secured by bonds of the corporation, that the Federal Reserve Board may fix the rates at the same rates, or higher rates, than it provides for the purchase or rediscount of paper secured by bonds or notes of the United States. The House bill provides that no discount or rediscount under this section shall be granted at a less interest charge than 1 per cent per annum above the prevailing rates for eligible commercial paper of corresponding maturity. The conferees adopt the House provision.

The House bill contains another limitation, namely, that no discount or rediscount shall be granted of paper secured by the bonds of the corporation unless the member bank satisfies the Federal reserve bank that it has in its possession for the purpose of the transaction insufficient commercial paper eligible for discount or rediscount under the regulations of the Federal Reserve Board, made under authority of the Federal reserve act. The Senate bill contains no similar provision. The conferees omit this provision.

SECTION 14.—*President to authorize corporation to commence business.*

This section prohibits the corporation from doing any business, except such as is incidental and preliminary to its organization, until it is authorized by the President to commence business. The Senate bill contains no similar provision. The conferees adopt the House section.

SECTION 15.—*Earnings of the corporation not required for its operation.*

The Senate bill specifies certain uses that may be made of the net earnings of the corporation not required for its operations upon the direction of the Secretary of the Treasury. The House bill provides for similar disposition of such net earnings of the corporation upon direction of the board of directors, with the approval of the Secretary of the Treasury. The conferees adopt the House provision.

The Senate bill provides that the net earnings of the corporation not required for its operations may be invested in any bonds, notes, or certificates of indebtedness of the United States. The House bill provides that such net earnings may be invested only in bonds and obligations of the United States issued or converted since September 24, 1917, the date of the passage of the last bond act. The conferees adopt the House provision.

The House bill provides that such net earnings or any other funds of the corporation may be used in the purchase or redemption of any bonds issued by the corporation. The Senate bill does not contain a similar provision. The conferees adopt the House provision.

The House bill provides that the directors of the corporation may from time to time sell and dispose of any securities or other property acquired by the corporation. The Senate bill does not contain a similar provision. The conferees adopt the House provision.

The Senate bill provides that any balance remaining after the payment of the debts of the corporation shall be paid to and become the property of the United States. The House bill provides that such payment shall be paid into the Treasury of the United States as miscellaneous receipts. The conferees adopt the House provision.

SECTION 16.—*Bonds of the corporation tax exempt to the same extent as Liberty bonds are exempt.*

The substance of the tax-exempt bond provisions of the two bills is identical. The House bill makes certain changes in the interest of clearness. The conferees adopt the House section.

SECTION 17.—*The United States not to be liable for obligations of the corporation.*

This section provides that the United States shall not be liable for the payment of any bond or other obligations or the interest thereon issued or incurred by the corporation, nor shall it incur any liability in respect of any act or omission of the corporation. The Senate bill contains no similar provision. The conferees adopt the House section.

SECTION 18.—*Penalty for perjury, forgery, and embezzlement.*

The substance of the penalty provision of the two bills is identical. Certain clerical changes have been made in the House bill in the interest of clearness. The House bill increases the penalty for false statements and willful overvaluation of securities from a fine

of not more than \$5,000 or imprisonment for not more than one year, or both, to "a fine of not more than \$10,000 or imprisonment for not more than five years, or both." The House bill increases the forgery and embezzlement fine from \$5,000, provided in the Senate bill, to \$10,000. The conferees adopt the House provision, reducing the penalty for willful overvaluation of securities to fine of not more than \$5,000, or imprisonment for not more than two years, or both.

SECTION 19.—*Quarterly reports of the corporation.*

The Senate bill requires only reports with reference to direct advances made by the corporation. The Senate bill requires a report of the name and place of business of each person, firm, corporation, or association receiving direct advances from the corporation, the amount advanced, the terms and the securities accepted therefor. The House bill provides that the corporation shall file quarterly reports with the secretary of the Senate and with the clerk of the House of Representatives, stating as of the first day of each month of the quarter just ended, (1) the total amount of capital paid in, (2) the total amount of bonds issued, (3) the total amount of bonds outstanding, (4) the total amount of advances made under each of sections 7, 8, and 9, (5) a list of the classes and amount of securities taken under each of such sections, (6) the total amount of advances outstanding under each of sections 7, 8, and 9, (7) the amount of bonds and obligations of the United States bought or sold under section 11, and (8) such other information as may be hereafter required by either House of Congress. The conferees adopt the House provision, omitting item (7).

The House bill also requires the corporation to make a report to Congress on the first day of each regular session, including a detailed statement of receipts and expenditures. The conferees adopt this provision.

SECTION 20.—*Indebtedness of a national banking association.*

This section provides that section 5202 of the Revised Statutes of the United States relating to the indebtedness of a national banking association shall not apply in the case of any liability incurred by such association under the provisions of the War Finance Corporation act. This provision does not appear in the Senate bill. The conferees adopt the House section.

TITLE II. Capital Issues Committee.

SECTION 200.—*Creation of capital issues committee.*

The Senate bill provides that the capital issues committee shall be composed of five members. The House bill increases the membership to seven members. The Senate bill provides that three of the members shall be members of the Federal Reserve Board. The House bill provides that at least three of the members shall be members of the Federal Reserve Board. The conferees adopt the House provisions as to these matters.

The House bill provides that not more than four of the members of the committee shall be members of the same political party. The Senate bill contains no similar provision. The conferees omit this provision.

The House bill provides that no member or officer of the committee shall in any manner, directly or indirectly, participate in the determination of any question affecting his personal interest, or the interest of any corporation, partnership, or association in which he is directly or indirectly interested. Before entering upon his duties each member and officer shall certify under oath to the Secretary of the Treasury that he will comply with the provisions aforesaid, and he shall also take an oath faithfully to discharge the duties of his office. Nothing contained in this or in any other act shall be construed to prevent the appointment as a member of the committee of any officer or employee under the United States, or of a director of a Federal reserve bank. The Senate bill contains no similar provision. The conferees adopt the House provision, omitting the requirement of an oath to comply with the prohibition of participation by a member in any action affecting his personal interests.

Both bills fix the salary of the members of the committee who are not members of the Federal Reserve Board at \$7,500 per annum. The House bill also provides that if any member receives any other compensation from any office or employment under the United States, the amount so received shall be deducted from such salary, and if such other compensation is \$7,500 or more, that such member shall receive no salary as a member of the committee. The Senate bill contains no similar provision. The conferees adopt the House provision.

The Senate bill provides that the salary of the members of the committee shall be paid by the corporation. The House bill provides that the salaries shall be paid by the Federal Government. The conferees adopt the House provision.

The House bill provides that any member of the committee shall be subject to removal by the President of the United States. The Senate bill contains no similar provision. The conferees adopt the House provision.

The House bill provides that the President shall designate one of the members of the committee as chairman, and that four members of the committee shall constitute a quorum for the transaction of business. The Senate bill contains no similar provision. The conferees adopt the House provisions, but add a clause providing that any vacancy in the chairmanship shall be filled by the committee.

SECTION 201.—*Officers, attorneys, agents, and other employees of the committee.*

This section provides that the committee may employ and fix the compensation of such officers, attorneys, agents, and other employees as may be deemed necessary to conduct its business, who shall be appointed without regard to the provisions of the Act entitled "An act to regulate and improve the Civil Service of the United States," approved January 16, 1883 (Vol. 22, U. S. Stat. L., p. 403), and amendments thereto or any rules or regulations made

in pursuance thereof. No such officer, attorney, agent, or employee shall receive more compensation than persons performing services of like or similar character under the Federal Reserve Board. The Senate bill contains no similar provision. The conferees adopt the House section.

SECTION 202.—*Transaction of the committee business.*

This section provides that all the expenses of the committee, including all necessary expenses for transportation incurred by the members or by its officers, attorneys, agents, or employees under its order in making an investigation or upon official business in any other place than at their respective headquarters, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman. The committee may rent suitable offices for its use, and purchase such furniture, equipment, and supplies as may be necessary, but shall not expend more than \$10,000 annually for offices in the District of Columbia. The principal office of the committee shall be in the District of Columbia, but it may meet and exercise all its powers at any other place. The committee may, by one or more of its members, or by such agents as it may designate, prosecute any inquiry necessary to its duties in any part of the United States. The Senate bill contains no similar provisions. The conferees adopt the House section.

SECTION 203.—*Committee to investigate issuance of securities.*

This section authorizes the committee to investigate, pass upon, and determine whether it is compatible with the national interest that there should be sold or offered for sale or for subscription any issue, or any part of any issue, of securities hereafter issued by any person, firm, corporation, or association, the total or aggregate par or face value of which issue and any other securities issued by the same person, firm, corporation, or association since the passage of this act is in excess of \$100,000. The Senate bill authorizes the committee to investigate, pass upon, and determine whether or not the sale or offering for sale or for subscription of any issue or any part of any issue of securities hereafter issued, the par or face value of which issue shall be in excess of \$100,000, is compatible with the public interest. The House bill changes the expression "compatible with the public interest" to "compatible with the national interest." The conferees adopt the House provisions.

The Senate bill authorizes the committee to make rules and regulations, with the approval of the Secretary of the Treasury, with reference to passing upon such issues of securities. The House bill leaves the making of rules and regulations to the discretion of the committee. The conferees adopt the House provision.

The Senate bill provides that the issues of shares or securities heretofore made, only a part of which have been sold or disposed of prior to the passage of the bill, shall not be affected by the provisions of the bill. The House bill provides that any securities which upon the date of the passage of this act are in the possession or control of, or are in hypothecation by, the corporation, association, or obligor issuing the same shall be deemed to have been issued after

the passage of this act. The conferees adopt the House provision, omitting the words "or are in hypothecation by."

The House bill provides that nothing in this bill shall be construed to authorize the committee to pass upon (1) any borrowing by any person, firm, corporation, or association in the ordinary course of business as distinguished from borrowing for capital purposes, (2) the sale or offering for sale or subscription of securities the issue of which the committee has determined to be necessary to the renewing or refunding of indebtedness existing at the time of the passage of this act, (3) the resale of any securities the sale or offering of which the committee has determined to be compatible with the national interest, (4) any securities issued by any railroad corporation the property of which may be in the possession and control of the President of the United States, or (5) any bonds issued by the War Finance Corporation. This provision is substantially the same as the provisions of the Senate bill, except that items (3) and (5) are not included in the Senate provision, and that the Senate bill in place of item (2) provided that the act should not apply to "borrowing to renew or refund indebtedness existing at the time of the approval of this act." The conferees adopt the House provision, amending item (2) so that nothing in the bill shall be construed to authorize the committee to pass upon "the renewing or refunding of indebtedness existing at the time of the passage of this act."

SECTION 204.—*Appropriation of \$200,000 for the establishment and maintenance of the committee.*

This section provides that there is appropriated out of any money in the Treasury not otherwise appropriated, for the remainder of the fiscal year ending June 30, 1918, and the fiscal year ending June 30, 1919, the sum of \$200,000 for the purpose of defraying the expenses of the establishment and maintenance of the committee, including the payment of the salaries and rents herein authorized. The Senate bill contains no similar provision. The conferees adopt the House section.

SECTION 205.—*Annual report of the committee.*

This section provides that the committee shall make a report to Congress on the first day of each regular session, including a detailed statement of receipts and expenditures, and also including the names of officers and employees and the salary paid to each. The Senate bill contains no similar provision. The conferees adopt the House section.

SECTION 206.—*Termination of the work of the capital issues committee.*

This section of the House bill provides that the capital issues committee title shall continue in effect until, but not after, the expiration of six months after the termination of the war, the date of such termination to be determined by a proclamation of the President of the United States, but that the President may at any time by proclamation declare that this title is no longer necessary,

and thereupon it shall cease to be in effect. The Senate bill contains no similar provision. The conferees adopt the House section.

TITLE III. Miscellaneous.

SECTION 300.—*Penalty for violations of act not covered by section 18.*

This section provides that whoever willfully violates any of the provisions of this act, except where a different penalty is provided in this act, shall, upon conviction in any court of the United States of competent jurisdiction, be fined not more than \$10,000 or imprisoned for not more than five years, or both; and whoever knowingly participates in any such violation, except where a different penalty is provided in this act, shall be punished by a like fine or imprisonment, or both. The similar Senate penalty provision is substantially the same except that the penalty provided in the Senate bill is a fine of not more than \$1,000 or imprisonment for not more than one year, or both, and except that the clause "except where a different penalty is provided in this act" does not appear in the Senate bill. The conferees adopt the House section, reducing the maximum term of imprisonment from five years to one year.

SECTION 301.—*Stamp tax to apply to promissory notes secured by Liberty fours.*

This section provides that no stamp tax shall be required or imposed upon a promissory note secured by the pledge of bonds or obligations of the United States issued since April 24, 1917, or secured by the pledge of a promissory note which itself is secured by the pledge of such bonds or obligations: *Provided*, That in either case the par value of such bonds or obligations shall equal the amount of such note. The Senate bill does not contain a similar provision. The conferees adopt the House section.

SECTION 302.—*The savings clause.*

The savings-clause provisions of the two bills are identical.

SECTION 303.—*Definition of the term "securities."*

The definition of the term "securities" is the same in the two bills, except the House bill specifically provides that the term "securities" includes "shares of stock," and "debentures." The conferees adopt the House section.

SECTION 304.—*Right to amend, alter, or repeal act reserved.*

This provision is exactly the same in the two bills.

SECTION 305.—*Short title of the act.*

This section provides that the short title of the act shall be the "War Finance Corporation Act." The Senate bill does not contain a similar provision. The conferees adopt the House section.

SECTION 306.—*Repealing provision.*

This section provides that all provisions of any act or acts inconsistent with the provisions of this act are hereby repealed. The Senate bill does not contain a similar provision. The conferees adopt the House section.

TITLE.

The conferees amend the title to read as follows:

An act to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises in the United States necessary or contributory to the prosecution of the war, and to supervise the issuance of securities, and for other purposes.

CLAUDE KITCHIN,
HENRY T. RAINEY,
LINCOLN DIXON,
J. HAMPTON MOORE,
WILLIAM R. GREEN,

Managers on the part of the House.

