

EXECUTIVE ORDER

June , 1942

ESTABLISHING A CAPITAL FUNDS COMMITTEE  
AND DEFINING ITS FUNCTIONS AND DUTIES.

By virtue of the authority vested in me as President of the United States and in order effectively to utilize, conserve and coordinate the Nation's financial resources for the conduct of the war and for national defense and for other purposes, it is hereby ordered as follows:

1. There is hereby created a Capital Funds Committee which shall consist of (1) the Secretary of the Treasury, who shall act as chairman, (2) the Administrator of the Federal Loan Agency, (3) the Chairman of the Board of Governors of the Federal Reserve System, and (4) the Chairman of the Securities and Exchange Commission. Each member may act through a designee. The members shall serve without additional compensation, but shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of their duties.

2. Subject to such policies, directions and regulations as the President may from time to time prescribe, the Capital Funds Committee (hereinafter called "the Committee") shall:

a. Take all steps necessary to obtain and analyze all pertinent information from private or public sources for the purpose of utilizing and conserving the Nation's financial resources for the conduct of the war, for the purpose of coordinating the flow of capital and the Nation's requirements for the conduct of the war, and for related purposes.

b. In order to insure and foster effective utilization, conservation and coordination of the financial and material resources and facilities of the Nation for the conduct of the war, postpone or prohibit any financial transaction the consummation of which may affect the successful prosecution of the war by reason of its effect on the volume and availability of funds necessary to absorb such financing as the Government and enterprises whose functions are vital to the prosecution of the war shall require.

3. The Committee is directed to utilize and coordinate powers and facilities available in the several departments and other agencies of the Government represented on the Committee, and such other departments and agencies as are concerned with industry, finance, and the conduct of the war, and to establish and maintain liaison with such departments and agencies of the Government and with such individuals as may be necessary to carry out this order.

4. The Committee shall keep the President informed with regard to progress made and problems encountered in carrying out this order, advise him upon proposed or existing legislation, and recommend to him such additional executive orders and such legislation as may be necessary or desirable, relating to financial activities or resources which affect the conduct of the war.

5. Within the limits of such funds as may be allocated for such purpose by the President on the recommendation of the Bureau of the Budget, the Committee and the Government departments and agencies represented on the Committee are authorized to employ necessary personnel and make provision for necessary supplies, facilities, and services to carry out the provisions of this order. The Committee shall use, insofar as practicable, such statistical, informational, fiscal, and other services and facilities as may be made available through other departments and agencies of the Government.

6. The Committee may provide for its internal organization and for the conduct of its business in such manner as it deems necessary or appropriate to the performance of its functions and duties. There shall be delegated to the Board of Governors of the Federal Reserve System the administration and execution of such policies and programs hereunder as shall relate primarily to banking facilities and banking resources;

and there shall be delegated to the Securities and Exchange Commission the administration and execution of such policies and programs hereunder as shall relate primarily to the financing of business enterprises. The administration and execution of policies and programs not specifically provided for in this section shall be performed or delegated as the Committee shall deem necessary or appropriate.

7. The term "financial transaction", as used herein, shall mean the sale of any security (as the term "security" is defined in the Securities Act of 1933, as amended), or the receipt of money or property by any financial institution.