

77<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 2540

---

IN THE SENATE OF THE UNITED STATES

MAY 18 (legislative day, MAY 15), 1942

Mr. PEPPER (for himself and Mr. DOWNEY) introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

---

## A BILL

Authorizing and directing the Reconstruction Finance Corporation to create a subsidiary corporation to be known as the War Distress Finance Corporation, to deal with cases of business distress and financial hardship attributable to the war and causes related thereto, and for other purposes.

Whereas the war has directly and indirectly caused grievous financial distress and hardship to numerous persons, firms, and corporations in the United States; and

Whereas many persons, due to the war and war conditions, have been unable to meet their obligations on their homes, businesses, and other properties, and will be unable to meet such obligations unless some relief in respect thereto is made available by the Federal Government; and

Whereas many persons, firms, and corporations, on account of the war and war conditions, will suffer severe financial dis-

ness unless they are able to convert their business in whole, or in part, or to make such alterations in the nature or character thereof as may be appropriate to wartimes, or the period after the war; and

Whereas it is the intention and the purpose of the Congress to see that individual hardship attributable to the war be minimized as much as is feasible and practicable, and to protect in any feasible and practicable way those suffering special or particular hardship not shared by the people generally: Now, therefore,

1       *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*  
3 That under the authority of subparagraph 3 of the fourth  
4 paragraph of section 5d of the Reconstruction Finance Cor-  
5 poration Act, as amended, the Reconstruction Finance Cor-  
6 poration is hereby authorized and directed to create, or  
7 organize, a corporation to be known as the War Distress  
8 Finance Corporation, to have succession for such period as  
9 the Reconstruction Finance Corporation may fix, not to  
10 exceed five years from the date of the creation thereof, and  
11 to take such steps as are necessary to provide to such War  
12 Distress Finance Corporation a capital of \$500,000,000  
13 to be available to carry out the aims and purposes of such  
14 corporation.

15       The Reconstruction Finance Corporation shall prescribe  
16 rules and regulations governing the operation and conduct of

1 such corporation, the form of the organization, and for the  
2 management and operation thereof.

3       Such War Distress Finance Corporation shall have full  
4 and complete authority to consider any and all cases of finan-  
5 cial distress attributable to the war, or war conditions, in-  
6 cluding the refinancing of obligations on homes, businesses,  
7 or other obligations which are in default, or about to be in  
8 default, on account of conditions fairly attributable to the  
9 war, or the effects thereof, and including the power to make  
10 loans, or advances, for the conversion, or alteration, of any  
11 business, if the continued operation thereof is made impos-  
12 sible, or impracticable, due to the war, or the effects thereof,  
13 including the acquisition of new, or additional property or  
14 equipment, or new training for the release of personal or  
15 professional services, or the steps necessary to develop new  
16 or different business enterprises.

17       Such corporation shall be authorized to make loans, ad-  
18 vances, or grants upon such terms and conditions as such  
19 corporation may determine, bearing in mind the purpose for  
20 which said corporation is to be created, namely, to relieve  
21 financial distress attributable to the war, or the conditions  
22 attending the war, sustained by individual persons, firms, or  
23 corporations, insofar as may be reasonable, feasible, and prac-  
24 ticable; to assist in the winning of the war by aiding persons,

1 firms, and corporations to adapt themselves to war conditions  
2 and demands; to make possible the refinancing of obligations  
3 which the obligors are unable to meet on account of the war,  
4 or conditions attending the war; and to enable persons, firms,  
5 and corporations to convert facilities they possess to condi-  
6 tions growing out of the war, or to meet demands which the  
7 war may impose, or to acquire and develop additional facili-  
8 ties or skills which may be in the national interest, and enable  
9 such persons, firms, or corporations to continue to conduct  
10 such business or to render such service as is in the national  
11 interest during or after the war.

12       Such corporation shall report to the Congress every three  
13 months a summary and review of its activities and operations,  
14 including any recommendations such corporation may have as  
15 to any better or further service which it, in the national  
16 interest, might render.

---

---

**A BILL**

Authorizing and directing the Reconstruction Finance Corporation to create a subsidiary corporation to be known as the War Distress Finance Corporation, to deal with cases of business distress and financial hardship attributable to the war and causes related thereto, and for other purposes.

---

---

By Mr. PEPPER and Mr. DOWNEY

MAY 18 (legislative day, MAY 15), 1942

Read twice and referred to the Committee on  
Banking and Currency